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**High-level political forum on Sustainable Development, convened under the auspices of the Economic and Social Council**

# Summary by the President of the Economic and Social Council of the forum on financing for development follow-up, including the special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 23-26 April 2018)

## I. Introduction

1. The third forum on financing for development follow-up of the Economic and Social Council was convened by Marie Chatardova (Czechia), President of the Council, at United Nations Headquarters in New York from 23 to 26 April 2018. The forum, including the special high-level meeting with the Bretton Woods institutions, featured an unprecedented level of engagement and participation by all stakeholders. Thirty-six ministers, vice-ministers and senior government officials attended the forum, representing a record number since the inception of the forum. The forum also attracted a more diverse body of participants from the investment community, including major commercial banks, asset managers and development banks.

2. Overall, the discussions of the forum were characterized by long-term orientation, a strong focus on the most vulnerable countries and sensitivity to systemic risks. The forum conveyed an overarching message that policymakers should capitalize on the economic upturn to fix the deep-rooted systemic challenges and vulnerabilities related to financing the Sustainable Development Goals. The forum adopted by consensus a set of intergovernmentally agreed conclusions and recommendations. The outcome document contains critical actions to be taken forward and to feed into the overall follow-up to and review of the implementation of the 2030 Agenda in the high-level political forum on sustainable development.

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## II. Opening of the forum on financing for development follow-up

3. The forum was opened by the President of the Economic and Social Council, with addresses by the President of the General Assembly, the Secretary-General (by video message) and the Deputy Secretary-General.

4. The President of the Economic and Social Council welcomed the progress made in all action areas of the Addis Ababa Action Agenda and called on the international community to build on the upturn in the global economy and address risks posed by crises and shocks. She emphasized the importance of fulfilling commitments and taking concrete action on the ground, including through national sustainable development strategies coupled with long-term plans for financing the Sustainable Development Goals. Such investment needed to be sustainable and inclusive, ensuring that no one was left behind and that the countries in greatest need also benefited. In that regard, the forum provided a critical platform to facilitate knowledge-sharing among States and development partners.

5. The President of the General Assembly pointed out that investments, financing and partnerships needed to be scaled up to meet the ambitious vision of the 2030 Agenda and the Addis Ababa Action Agenda. Nevertheless, the current rate of progress was insufficient for achieving the Sustainable Development Goals by 2030. Overcoming financing gaps was essential, alongside efforts to mobilize all means of implementation. Rather than "throwing money at the problem", he recommended a more strategic and targeted approach, with the Addis Ababa Action Agenda showing the way. The forum was an important space for assessing progress, sharing experiences, translating commitments into action and digging deeper for solutions to ensure implementation. To reinforce collective efforts on urgent financing needs, he announced that he would host a high-level event on financing the Sustainable Development Goals on 11 June 2018.

6. Addressing the forum by video message, the Secretary-General emphasized that financing challenges could not be overcome in isolation. He underlined the need to uphold commitments on official development assistance (ODA) while promoting entrepreneurship and free and fair trade. National resource mobilization should be broadened through ensuring tax reform and good governance. The international community needed to fight money-laundering and illicit financial flows. Governments and businesses must work in partnership to unlock the needed capital. The Secretary-General announced his decision to host a high-level meeting on finance in September 2018, with a view to encouraging action by world leaders and all partners to invest in a sustainable and prosperous future for all.

7. The Deputy Secretary-General emphasized that national leadership, ownership and implementation were at the heart of the 2030 Agenda and that mobilization of domestic resources was fundamental. ODA continued to be critical, and it was worrisome that ODA had stagnated for some of the most vulnerable countries. International efforts must be strengthened to support infrastructure investment, as well as to combat tax evasion, money-laundering and illicit financial flows. There was also need for a change in mindset and a scaling up in innovation, both for supporting longer-term investments in sustainable development and for unlocking resources for countries beset by crises and shocks. The Deputy Secretary-General informed participants that the United Nations country and regional presence was improving coherence for better delivery of results on the ground, in line with the overall reform vision of the Secretary-General.

## III. Keynote and special addresses

8. Donald Kaberuka, High Representative of the African Union Peace Fund and former President of the African Development Bank, delivered a keynote address. He argued that, with the 2030 Agenda, the international community had transcended North-South bifurcation to embrace a pluralist, multipolar view of global sustainable development challenges and resources for overcoming those challenges. ODA would continue to be important in such a context, but it needed to be "smart". In that regard, he recommended putting fragility at the centre of discussions in future forums and other financing-related events. Mr. Kaberuka underlined that there was currently a window of opportunity in the global economy to mobilize significant resources from many actors for the Sustainable Development Goals. That required not only greater capacities at the national level, but also a clearer commitment from the international community to address illicit financial flows. Strengthening multilateral institutions and steering clear of zero-sum national policies should therefore animate the pursuit of the Goals through 2030.

9. Sultan bin Saad Al-Muraikhi, Minister of State for Foreign Affairs of Qatar, delivered a special address to share the outcomes of the High-level Conference on Financing for Development and the Means of Implementation of the 2030 Agenda for Sustainable Development, which had been organized by Qatar in cooperation with the Department of Economic and Social Affairs of the Secretariat in November 2017. The conference had resulted in the "Doha messages" aimed at strengthening coherence and cooperation for the implementation of the 2030 Agenda and the Addis Ababa Action Agenda. The messages underlined the importance of meeting the enormous financing needs of the Sustainable Development Goals through a mix of all available resources. Domestic resource mobilization for long-term development did not have to come at the cost of meeting urgent short-term needs. National development banks, as well as blended finance, had strong potential to address shortfalls in current funding. International development cooperation remained essential to support those most in need and those furthest behind. Engaging all relevant stakeholders was critical.

## IV. Perspectives from the 2018 report of the Inter-agency Task Force on Financing for Development

10. Liu Zhenmin, Under-Secretary-General for Economic and Social Affairs and Chair of the Inter-Agency Task Force on Financing for Development, introduced the 2018 report of the Inter-Agency Task Force on Financing for Development. Noting the mixed picture in the world economy, Mr. Liu pointed out that most types of development financing flows had increased, but global risks remained high. Increasing interest rates, debt vulnerabilities and the adoption of inward-looking policies could derail progress. Financial sector incentives needed to be long term in orientation and aligned with sustainable development. The growing interest in sustainable investment was welcome, but such risks needed greater attention. He emphasized that policies, plans and project pipelines needed to be informed by integrated national financing strategies, reaching beyond political cycles. The Task Force would continue to work on financing frameworks and strategies in its 2019 report, analysing national actions and the global enabling environment needed to facilitate long-term investment. Public finance remained essential and the importance of meeting ODA commitments could not be overemphasized; it was also important to scale up South-South cooperation. Furthermore, quality private and blended finance were important, but national development priorities would determine which financing models and related actors were best positioned to manage risks and provide services.

11. In a video message to the forum, Roberto Azevêdo, Director-General of the World Trade Organization (WTO), stated that international trade and WTO were important resources in support of implementing the 2030 Agenda. The opening of the world economy had advanced living standards for billions of people, with developing countries' share of global trade increasing significantly in recent decades. Trade was now growing at a sustained pace, which could underpin global economic growth and contribute to poverty eradication. There was a risk that this could be undermined by the recent, rising spectre of protectionism. Instead of escalating tensions, disputes should be resolved constructively. WTO was delivering results in response to member demands, including the conclusion of the Trade Facilitation Agreement and the abolishment of agricultural export subsidies. WTO continued to address current and emerging issues such as food security, fishery subsidies and closing the gaps in trade finance, which were felt disproportionately by smaller players.

12. Achim Steiner, Administrator of the United Nations Development Programme (UNDP), underlined the importance of disaggregating the global headlines on financing for development, noting that the reality "on the ground" was varied and complex. He suggested that the Task Force, and the United Nations system as a whole, should think about how its financing-related work reflected and spoke to people's reality. Recommendations should be communicated in ways that would empower users to make better decisions. Focusing on rapid technological change and its associated challenges was one option for creating a link to everyday concerns. Among the public, there were difficult questions about job loss and fiscal and tax policies that privileged capital over labour. Another opportunity for engaging pragmatically with people's concerns was the issue of volatility — whether as a result of conflict, economic vulnerability or environmental shock. Instruments should be developed that better connected to those realities. On sustainable finance, the discussion should move away from finding the needed capital to aligning and attracting existing capital to where it was most needed. UNDP could help to test new ideas and facilitate best practices in its work on the ground.

13. Mukhisa Kituyi, Secretary-General of United Nations Conference on Trade and Development (UNCTAD), cautioned that the recent economic upturn might not signal sustained improvement over the medium term and underscored the continued importance of strong multilateralism. Rising protectionism and growing paralysis with regard to certain parts of the trade agenda were cause for concern. The international community should take advantage of where progress was being made, such as at the regional level with the African Continental Free Trade Area. Regarding technology transfer, the issue of automation and robotics should not overshadow the challenges and opportunities associated with the digital economy. Finally, he underlined the growing significance of debt in developing countries, including high corporate debt in middle-income countries, which would be transferred to public balance sheets in the event of a crisis. He recommended reviving the discussion on sovereign debt restructuring.

14. Tao Zhang, Deputy Managing Director of the International Monetary Fund (IMF), noted that conditions in some emerging economies had become more challenging, especially among commodity exporters. IMF projected that growth would weaken in many developing countries in the next five years, with serious implications for the Sustainable Development Goals. Many low-income and developing countries were accumulating more debt. To address the debt problems, borrowers should strengthen capacity, focus on projects with realistic rates of return and improve domestic resource mobilization. Lenders should assess the impact of new loans on debt positions and coordinate more effectively with official lenders, among other things. IMF was committed to working closely with its members to strengthen their approaches to debt management. Mr. Zhang emphasized the need to

focus on diversification, especially among commodity exporters, as well as development of the financial system, the business environment, entrepreneurship and human capital.

15. Mahmoud Mohieldin, Senior Vice President for the 2030 Development Agenda, United Nations Relations and Partnerships of the World Bank Group, referred to the important capital increase package agreed at the 2018 Spring Meetings of the World Bank as a prime example of how the international community could work together through the multilateral system in support of the 2030 Agenda. The significance was not simply the size of the increase, but rather the additional resources it could leverage. The impact of the increase would drive progress in low-income countries and fragile States, as well as enhance gender equality and partnerships with the private sector. Progress on domestic resource mobilization should be quickened. The joint work of IMF, the Organization for Economic Cooperation and Development (OECD) and the United Nations to promote improved tax collection and public expenditure at the national and local levels was critical. The accumulation of public debt deserved greater attention, as its potential impact could be even worse than the consequences of the global financial crisis on developing countries. Due diligence in lending decisions, sound principles of sustainable financing and contingency plans for debt restructuring were therefore important areas of work.

16. On behalf of the five regional commissions, Shamshad Akhtar, Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP), stated that, at the regional level, there were worries about the impact of the anticipated rise in interest rates and increased volatility. Corporate debt was also high in many emerging markets, and there had been a slowdown in infrastructure spending in some countries as a result of debt concerns. Public-private partnerships were important for infrastructure, and legal and regulatory frameworks were being strengthened in each region. The demand for expertise and capacity-building in that regard was high, as the transactions alone could be very complex and there was often a lack of faith among counterparts. The challenge for fiscal policy was not only to generate more tax revenue but also to share the proceeds of growth more equitably, which was a big piece of the work done by the regional commissions in support of their Members. The Task Force had also raised the issue of potential benefits from regional tax organizations, and ESCAP was beginning work in that area.

# V. Ministerial round tables

## Ministerial round table 1

17. Neven Mimica, Commissioner of International Cooperation and Development of the European Commission, reaffirmed the commitment of the European Union to achieving the Sustainable Development Goals and highlighted its forthcoming pledge to the new Joint Fund for the 2030 Agenda for Sustainable Development. In that regard, he highlighted three priorities. First, development partners should meet their ODA targets, which was especially crucial for least developed countries and fragile States. Second, private sector investment should be increased and targeted to where it was most needed. Third, domestic resource mobilization needed to be supported, using an approach that emphasized "collect more, spend better" alongside efforts to stem tax evasion and tax avoidance, as well as illicit financial flows. The European Commission was focusing on capacity development and targeted investment. Its new external investment plan combined flexible financial guarantees, technical assistance and policy guidance to improve the investment climate and support viable projects; it had allocated about €900 million for blended finance operations in sub-Saharan Africa. He referred to the launch of the report on "Investing in sustainable

development", which explained how the European Union was implementing the Addis Ababa Action Agenda under a common strategy.

18. Sahar Nasr, Minister of Investment and International Cooperation of Egypt, summarized the various reforms under way to attract sustainable investment and mobilize resources for infrastructure and sustainable development. Empowering women and youth was a cross-cutting element for all actions. Egypt was making major policy and institutional reforms to create sustainable employment and foster entrepreneurship. A key pillar of those reforms was strengthening governance through policies to counter money-laundering and corruption. The reforms were aimed at facilitating greater access to microfinance, mortgages and the financial system more broadly, prioritizing people at the centre. The reforms were being implemented together with social programmes, such as conditional cash transfers and school feeding programmes, to build resilience to adverse impacts.

19. Mohamed Asim, Minister of Foreign Affairs of Maldives, highlighted the importance of the forum, especially in supporting sustainable growth in small island developing States. Maldives was trying to strengthen policies and efforts to mobilize resources but faced limitations and constraints. The United Nations could play an important role in promoting an enabling global environment, particularly with regard to lending terms, that improved chances for small island developing States to achieve the Sustainable Development Goals. Inequality continued to be a major impediment to ending poverty, and international cooperation and the multilateral trading system were critical in that regard. To enact the transformative changes required to attract the necessary resources, the private sector should play a bigger role and the public sector needed to improve efforts to incentivize its contributions.

20. Oleksandr Danyliuk, Minister of Finance of Ukraine, described how the country had more than 1.6 million internally displaced persons, which had created an unforeseen demand for national resources. Inflation had recently skyrocketed and the national currency had been devalued three times. Those and other factors had emerged as major constraints on the country's capacity to finance its development priorities. One key priority had been the implementation of measures to counter corruption, in which civil society played a key role. The Government had also introduced structural reforms in health, energy and educational systems, and a budget and monitoring mechanisms were in place to support implementation. The mobilization of internal resources, including through the national tax system and technological solutions, had been prioritized. That experience had shown that reforms should be carried out sooner rather than later, and that working closely with the international financial institutions was critical, but insufficient if national will and leadership were not in charge.

21. Karin Finkelston, Vice-President of Partnerships, Communication and Outreach of the International Finance Corporation of the World Bank Group, said that the 2018 Spring Meetings had been historic and that the agreed capital increase would enable work across public and private partnerships to deliver on the 2030 Agenda. The World Bank was now working to support developing countries with regard to two challenges: rising public debt and domestic resource mobilization. Those efforts should be complemented by mobilizing the private sector, through leveraging the Bank's limited capital for resources from the markets. The Bank's policies helped countries to reduce risk by developing investment policies and reforms, reducing subsidies and putting insurance in place. To assess its work, it was developing tools to measure the impact of private investment in countries.

22. Norbert Barthle, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development of Germany, highlighted the steps Germany had taken through the Group of Twenty (G-20) and European Union platforms in support of its partners to achieve sustainable development. Ongoing adjustments to

the global financial and trading system were key elements of that work. Structural reforms were critical, alongside efforts to increase resilience to climate risks and other shocks. He noted that Germany sought to avoid the negative consequences of the impact of financing tools and interactions among those tools. Similarly, capital invested in sustainable development should not have a negative impact on debt sustainability. He underscored the importance of ODA and its catalytic role in mobilizing resources. The creation of new partnerships was also a priority, with the Global Alliance for Trade Facilitation and the G-20 partnership with Africa being two useful examples. He concluded by stating that the forum on financing for development follow-up, along with the high-level political forum on sustainable development, could help to strengthen the common international vision of the Addis Ababa Action Agenda.

23. Somchith Inthamith, Deputy Minister of Industry and Commerce of the Lao People's Democratic Republic, recognized the importance of the Addis Ababa Action Agenda and highlighted the challenges faced by many developing countries, including those in vulnerable situations, with regard to eradicating poverty. He called for development partners to meet their ODA commitments and emphasized the need for debtors and creditors to work closely with developing countries to achieve long-term debt sustainability. He underscored the importance of enacting policy reforms at the international and national levels to support countries through the transition. The Lao People's Democratic Republic was taking action towards graduation from least developed country status; its status would be decided at the next review by the Committee for Development Policy.

24. Elissa Golberg, Assistant Deputy Minister for Strategic Policy at Global Affairs Canada, noted that the forum on financing for development follow-up was ideal for bringing all actors together to discuss resource mobilization challenges faced by the countries themselves, as well as obstacles to engagement by other actors. She underscored the importance of ODA for least developed countries and fragile countries, where internal domestic mobilization was challenging. Traditional donors needed to continue to think about the full range of instruments available for crowding in resources and partnerships. Blended finance was not a panacea but could be useful in certain contexts. Its use should be closely analysed using a strong evidence base so that it could be channelled where and when it made the most sense. The role of government was key to reducing the risk for private investment and creating a climate for businesses. Innovation and inclusion were important for growth and investment, and considerations related to gender equality and diversity should be fully integrated into development policies. The work of the Inter-Agency Task Force on Financing for Development was critical for pursuing the next steps and continuing to build on progress.

25. Pio Wennubst, Assistant Director General of the Swiss Agency for Development and Cooperation, recommended a focused review of lessons learned on financing specific sectors if progress was to be made. Concerning the water sector, he said that there were various risks that had made long-term investment difficult. Experience had shown that a systemic, multisectoral approach to water, whether national or transboundary, had led to better financing operations. Blended finance options were often at a pilot stage and not sufficiently well designed to attract the appropriate investment. He noted that the comparative advantages offered by wealth management and pension fund management were not well reflected in current investment packages and should be better integrated without distorting the fundamental nature of those packages.

26. Mpho Parks Tau, President of United Cities and Local Governments, highlighted the importance of collaboration between central Governments and local authorities and noted that such collaboration should be based on not only transfer mechanisms

but also more effective spending in line with local realities. Growing inequalities between regions and territories were pushing some areas and population groups within countries towards marginalization.

27. During the interactive discussion, the experience of middle-income countries in Latin America was highlighted with respect to the region's relatively low taxation levels and informal economies. A concurrent challenge was the limited access to international finance on concessional terms since many countries in the region did not meet per capita income requirements.

## Ministerial round table 2

28. Bambang Brodjonegoro, Minister of National Development Planning of Indonesia, noted that, while global economic growth provided opportunities, Indonesia faced bottlenecks in infrastructure and energy. To make progress, investment and partnerships with the private sector were critical, which required work by Governments to improve the investment climate. He emphasized his country's strong political commitment to maintaining an open international trading system with a fair and effective dispute resolution mechanism under WTO. Mr. Brodjonegoro also called for strengthening the mobilization of domestic resources and noted that Islamic finance could make a large contribution to sustainable development finance.

29. Khurelbaatar Chimed, Minister of Finance of Mongolia, noted that Mongolia benefited greatly from global growth and international investment but had encountered challenges from a sharp drop in commodity prices and reduced private investment. He stated that the national experience of Mongolia had demonstrated the importance of sound economic policies, including savings and economic diversification, as well as the risks of high debt levels. He underlined the importance of bolstering tax systems and mobilizing domestic revenue.

30. Teresa Ribeiro, Secretary of State of Foreign Affairs and Cooperation of Portugal, noted that per capita growth rates and further reforms would likely be insufficient to address the setbacks caused by the 2008 financial crisis. Smart ODA would be important to ensure that it could leverage greater progress. In that regard, Ms. Ribeiro emphasized the need to bring in the private sector to contribute to sustainable development and the reforms to government policies that were needed to achieve it. She underscored the importance of the multilateral trading system, reforms to the international financial architecture and measures to ensure debt sustainability.

31. Ulrika Modéer, State Secretary to the Minister for International Development Cooperation of Sweden, gave examples of new programmes and partnerships that were being implemented in Sweden, using a whole-of-government approach, including the introduction of green bonds, the expansion of guarantee instruments and the launch of the Stockholm Sustainable Finance Centre. She described the efforts of the Swedish steel industry to improve its environmental sustainability and the holding in May 2018 of a conference on building tax capacity. Ms. Modéer reiterated the commitment of Sweden commitment to providing ODA equivalent to 1 per cent of gross national income.

32. Liu Zhenmin, Under-Secretary-General for Economic and Social Affairs, described three critical points that countries needed to address to achieve structural transformation: tax, infrastructure and trade. He indicated that strengthened domestic revenue mobilization must go together with enhanced international tax cooperation and in that regard pointed to the outcome of the First Global Conference of the Platform for Collaboration on Tax, hosted by the United Nations in February 2018. In addition, he emphasized the importance of infrastructure investment, which he noted would require both domestic public investment and the involvement of the

private sector. Finally, he stated that trade would be critical and that new technology provided opportunities for non-traditional routes to development, including by helping developing countries increase non-traditional exports.

33. Mohammad Khaza'ie, Deputy Minister of Economic Affairs and Head of the Organization for Investment and Economic and Technical Assistance of the Islamic Republic of Iran, highlighted the need for redoubled efforts towards poverty reduction and more broad-based and stable global economic growth. He underscored that coercive economic measures taken against developing countries were violations of international law. He further argued that international financial institutions should not be politicized and that a global partnership for sustainable development that involved all parties and countries was necessary. He concluded by underlining the continued important role to be played by development finance institutions in contributing to the achievement of the Sustainable Development Goals.

34. Kayula Siame, Permanent Secretary of the Ministry of Commerce, Trade and Industry of Zambia, stated that least developed countries were benefiting from global growth and that Zambia had maintained macroeconomic stability despite the fall in global commodity prices. She noted the importance of investment for least developed countries and said that Zambia had emphasized infrastructure development. She described her country's plans and programmes, and the importance of a revenue strategy and a strong tax system to pay for investment needs. Finally, she stressed that distortions to international trade, including disguised obstacles to trade, should be removed.

35. Sergio Londoño Zurek, Director General of the Presidential Cooperation Agency of Colombia, described the importance of the peace process for Colombia and the need to build peace and pursue sustainable development in tandem. He stressed the importance of monitoring progress and the need for transparent partnerships with the private sector, such as in infrastructure financing. Colombia had created special economic zones, provided tax incentives and promoted tourism in all parts of the country. He argued that ODA remained important even for middle-income countries and especially for those emerging from conflict.

36. Rémy Rioux, Chief Executive Officer of the Agence Française de Développement, emphasized four key trends: the creation of new development finance institutions, the increased concessionality of development bank lending, the emphasis on the private sector and strengthened coalitions between the public and private sector. He noted efforts to improve coordination and effectiveness in aid agencies across Europe. He concluded by stressing that national development banks should serve as a third pillar for sustainable development investment, alongside the multilateral development banks and the United Nations agencies, funds and programmes.

## Ministerial round table 3

37. Abul Maal Abdul Muhith, Minister of Finance of Bangladesh, noted that the national budget had increased steadily in recent years. Foreign assistance remained important and represented about 10 per cent of the budget. One of the major challenges was to implement the budget evenly throughout the year. Oftentimes, disbursements of funds were rushed at the end of the year with detrimental effects on public service delivery. Through targeted efforts, the Government had made significant progress in disbursing a larger portion of the budget in a timely and effective manner.

38. Mustafa Mastoor, Minister of Economy of Afghanistan, pointed out that, aside from the health sector, progress had been slow and uneven. While $85 billion in

foreign assistance had been committed to Afghanistan in the previous six years, 52 per cent of the population lived under the national poverty line and 44 per cent experienced food insecurity. The unemployment rate stood at 24 per cent and imports exceeded exports by a factor of more than 10. It was therefore crucial to increase aid effectiveness through more targeted interventions in promising sectors. He underlined the importance of supporting the Government in programme development rather than providing project support. He emphasized the need to mobilize private sector resources through ODA and to promote peer learning among least developed countries.

39. Régis Immongault, Minister of Economy, Forecasting and Sustainable Development Programming of Gabon, emphasized that the Government had improved the efficiency of its tax system and broadened the tax base through the introduction of a land tax. It had also prioritized a stable macroeconomic environment to increase investor confidence. Nevertheless, domestic actions often faced systemic constraints at the international level. Rising protectionism in trade would reduce income for the poorest countries and jeopardize development gains. He called for international support measures to enhance debt sustainability, promote innovative financing mechanisms, reduce ODA conditionalities and allow the poorest countries to access and fully realize the gains from new technologies.

40. Batyr Bazarov, Minister of Finance and Economy of Turkmenistan, highlighted that the Sustainable Development Goals had been fully mainstreamed into the national sustainable development strategy of Turkmenistan through a five-year partnership programme with the United Nations. The country was focused on creating a market economy based on economic growth, social well-being and environmental protection. Both domestic and external resources were important. Turkmenistan continued to optimize its use of natural resources while increasing economic diversification, and had initiated new infrastructure projects.

41. Fabio Kanczuk, Secretary of Economic Policy at the Ministry of Finance of Brazil, underscored that Brazil was coming out of its worst recession in decades, which made it important to put in place preventative measures to avert future crises. Its strategy to increase investment in achieving the Sustainable Development Goals harnessed public and private finance in a complementary manner. Innovative instruments to tap private finance included green bonds, which would raise funds to finance or refinance projects or assets that had positive environmental or climate impacts, as well as performance bonds, which were common in the construction sector and ensured payment in the event that a contractor failed to fully execute the contract. Public spending had increased substantially over recent years; however, reductions in inequality were still needed.

42. Admasu Nebebe, State Minister of Finance and Economic Cooperation of Ethiopia, emphasized the need for a long-term strategy on realizing the Sustainable Development Goals. He highlighted the need for investing in a more effective tax system through smart tax policies and better institutions. Ethiopia was pursuing efforts to increase domestic and international private sector investment by promoting financial inclusion, investing in human capital, strengthening its financial system and establishing industrial parks to attract foreign direct investment. Ethiopia had also put in place a law on public-private partnerships to guide joint public-private investments towards achieving the Goals. Mr. Nebebe stressed the importance of using ODA to leverage domestic resources for sustainable development.

43. Väino Reinart, Under-Secretary of Economic and Development Affairs at the Ministry of Foreign Affairs of Estonia, stressed that information and communications technology had helped Estonia significantly improve the efficiency, cost effectiveness and transparency of its tax system. Estonia was now rated first on the tax

competitiveness index of OECD and twelfth in the ease of doing business index by the World Bank. Peer learning was an important mechanism to help other countries harness the benefits of information and communications technology in domestic resource mobilization. In that context, Estonia had established an e-governance academy to share best practices and experiences with other interested countries.

44. Noel González Segura, Director-General of Planning and Policies for International Development Cooperation at the Agencia Mexicana de Cooperación Internacional para el Desarrollo in Mexico, highlighted that Mexico had introduced federal laws to spur competitiveness and increase investment in priority sectors like infrastructure and technology. Because of structural reforms in the economy, quality and long-term investment had increased and small and medium-sized enterprises enjoyed greater access to finance through more competitive pricing. He emphasized the need to strengthen cooperation in tax matters, including through international forums like the Committee of Experts on International Cooperation in Tax Matters.

45. Lidy Nacpil, Coordinator of the Jubilee South Asia Pacific Movement on Debt and Development, called for debt relief measures for small island developing States that had suffered from the 2017 Atlantic hurricane season. She argued for the need to separate climate finance from discussion of ODA, pointing to the stipulation in the United Nations Framework Convention on Climate Change that climate finance was an obligation from developed to developing countries. She called on countries to consider taxing the richest 1 per cent to generate more resources for sustainable development and establishing a global tax body under the aegis of the United Nations.

46. During the interactive discussion, some participants called for caution in the implementation of new and innovative financing mechanisms. Some of those instruments might increase the debt burden of developing countries and reduce the availability of resources to finance the Sustainable Development Goals in the long term. More progress was needed for the prevention and resolution of debt crises, including through advancing discussions within the United Nations on guidelines for responsible borrowing and lending, as well as solutions to restructure sovereign debt.

## Ministerial round table 4

47. George Gyan Baffuor, Minister of Planning of Ghana, stated that Ghana had prioritized moving beyond aid by focusing on two key areas: increased domestic resource mobilization and the strengthening of regulatory frameworks to facilitate private investment. To increase domestic resources, Ghana was pursuing several measures, including a national identification programme and an excise tax stamp policy. Ghana recognized the need to develop investable projects and had implemented programmes to incentivize business activities. Mr. Baffuor concluded by noting that the forum contributed to greater policy coherence for sustainable development.

48. Hadizatou Rosine Coulibaly, Minister of Economy, Finance and Development of Burkina Faso, stated that Burkina Faso was committed to significant domestic resource mobilization and had assessed its tax system, identified gaps and developed a strategic plan to modernize its collection practices, with the aim of increasing its tax-to-GDP ratio to between 14 and 20 per cent. Digital technologies were facilitating improved domestic resource mobilization. Looking ahead, it had plans to carry out a census on property ownership to improve the accuracy of property tax assessments and had improved its ease of doing business by creating a streamlined system for entrepreneurs. Its law on public-private partnerships benefited from lessons learned from other countries. It was also looking at how to use pension funds and long-term

investors to finance development. Overall, rural development remained a key consideration, given the number of rural-dwelling poor.

49. Mohamed Osman Suliman Al-Rikabi, Minister of Finance and Economic Planning of the Sudan, reported that the national development plan of the Sudan included an economic reform programme through 2019. To build resilience to shocks, it was working on mobilizing domestic resources, including through the creation monitoring mechanisms, modern tax collection methods, increased efficiency of government institutions and improved transparency. The country faced ongoing challenges, including costly loans, the repercussions of sanctions and security-related issues. Given its fragility, he called for greater support, including through the provision of ODA.

50. Qahhorzoda Fayziddin, Minister of Finance of Tajikistan, highlighted the priorities of Tajikistan in the Sustainable Development Goal context as energy, food and nutrition security, water security, climate change and productive employment. The country had made great progress in reducing poverty, but eradication and reaching the furthest behind would prove difficult. The country currently had 70 investment projects under way with development partners working towards priority areas. He emphasized that investment in large regional infrastructure projects should be on a concessional basis, with a long-term orientation.

51. Patrick Chinamasa, Minister of Finance and Economic Development of Zimbabwe, reported that Zimbabwe had set the goal of becoming a middle-income country by 2030. Many financing challenges stemmed from the impact of economic sanctions against the country, and Zimbabwe was pursuing the normalization of relations with relevant countries and improved prospects for resource mobilization. It had also prioritized the addressing of debt burdens, poor infrastructure and economic informality. Various policy and reform measures were being put in place in support of national efforts, including by creating a public-private partnership policy, combating illicit financial flows, improving ease-of-doing-business measures and implementing stronger tax systems. It hoped to build data capacities to support those initiatives.

52. Jens Frølich Holte, State Secretary in the Ministry of Foreign Affairs of Norway, noted that the international community had weathered the global financial crisis, but the experience had resulted in overcaution in some areas. Long-term dedication, informed risk-taking, innovation and market creation need to be strengthened going forward. As fiscal and monetary stimulus faded soon, the private sector should redeploy assets towards sustainable development. Given the trillions of dollars that could be unlocked for the Sustainable Development Goals, leveraging and risk mitigation were critical. Norway prioritized the protection of the multilateral trade system. Greater efforts on tax aid were needed. Greater attention also needed to be paid to the looming debt crisis and continued illicit financial flows.

53. Bary Emmanuel Rafatrolaza, State Secretary in the Ministry of Foreign Affairs of Madagascar, welcomed stronger international tax cooperation and suggested that the United Nations could evaluate bilateral tax agreements in relation to the Sustainable Development Goals. The Government of Madagascar had implemented new legislation on public-private partnerships, specifically focused on renewable energy. It continued to improve its business environment and was pursuing a new growth frontier: the "blue" maritime economy. The forthcoming adoption of the national strategic document for development cooperation would contribute to improvements in the quality of aid and Sustainable Development Goal results.

54. Nim Dorji, Finance Secretary of Bhutan, reported that Bhutan had experienced strong growth and had fully integrated the Sustainable Development Goals into its national development plans. It had met the criteria for graduation from least

developed country status, and planned to graduate from that status by 2021. Bhutan was currently making attempts to strengthen tax administration and broaden the tax base. It prioritized integrating the informal economy into the tax system. Looking ahead, partnerships would be critical. Bhutan was also trying to make foreign direct investment and public-private partnerships more attractive, including through improved rules and frameworks.

55. Miguel Ángel Estuardo Moir Sandoval, Secretary of Planning of Guatemala, said that, given the focus of the current architecture for financing and development cooperation on partnerships, rather than ODA, the country increasingly emphasized effectiveness and quality. He encouraged innovative thinking on criteria and access to concessional finance. Currently, much development assistance did not sufficiently take advantage of national and local institutions. South-South cooperation continued to be useful, especially for sharing lessons about avoiding common pitfalls. Trade was a tool for local development and the growth of small and medium-sized enterprises, and could improve competitiveness; therefore, aid-for-trade should be strengthened.

56. Michael Baldinger, Head of Sustainable and Impact Investing of UBS, said that the Sustainable Development Goals were a road map to solve global sustainability challenges and that private capital was crucial. Given the estimated resources needed for the Goals, innovative approaches to investment were needed. Sustainable investments currently amounted to more than SwF 1 trillion. Aligning financial objectives to the Goals offered new opportunities to improve sustainability and make an impact. UBS strived to use global resources to drive innovation and champion local initiatives.

57. During the interactive discussion, civil society representatives drew attention to the challenges posed by public-private partnerships in developing countries, which sometimes resulted in the costly privatization of essential public services, and the need for more concerted efforts to curtail illicit financial flows.

## VI. Launch of the Joint Policy Fund to Advance the 2030 Agenda through Integrated Policy

58. The Deputy Secretary-General launched the Joint Fund for the 2030 Agenda for Sustainable Development, which builds on the vision laid out by the Secretary-General on the repositioning of the United Nations development system. An overarching objective is the need for the United Nations development system to work more effectively as a true system, with a consequent shift from competition to collaboration and the delivery of shared results. The Joint Fund is one component of the larger funding compact for the development system. It is a global, multi-partner pooled fund aimed at supporting Governments to accelerate progress towards the Sustainable Development Goals. The Fund also builds on successful experiences of the past, such as "Delivering as one" and the Millennium Development Goals Fund, and is designed to leverage significant financial flows. It will provide "the muscle" for a new generation of resident coordinators and United Nations country teams. The Deputy Secretary-General called on Member States to support the Fund. Germany, Ireland, Norway, Spain, Sweden, Switzerland and the European Commission announced their contributions to the Fund at the launch. Rwanda underlined the importance of using the fund as a catalyst for resources aimed at the implementation of the Goals, and in support of country priorities.

# VII. Interactive dialogue with intergovernmental bodies of major institutional stakeholders

59. The 2018 interactive dialogue, chaired by the President of the Economic and Social Council and moderated by Zain Asher of CNN, addressed two themes: (a) disaster risk and resilience, and (b) taxation in the digitalized economy.

60. In opening the dialogue, the President of the Economic and Social Council emphasized that the growing human and economic costs of disasters had demonstrated the potential of such disasters to set back development progress and leave the most vulnerable behind. There were also increasing concerns around the rules and regulations that governed the shift to digital economies.

61. Tudor Ulianovschi, President of the Trade and Development Board of UNCTAD, noted that multilateralism was key to addressing major challenges such as weak economic growth, climate change and threats to privacy. The concept that development is universal was a major innovation of the 2030 Agenda. UNCTAD was focused on turning such transformative thinking and commitments into action and impacts.

62. Lesetja Kganyago, Chair of the International Monetary and Financial Committee of IMF, stressed that the current upswing in the global economy provided a window of opportunity for reform. Building resilience was a priority, given the wide range of vulnerabilities across countries. He identified the declining levels of trust among key partners (States, business and societies) needed for sustainable globalization as a fundamental challenge to progress. In that context, he referred briefly to global trade, emphasizing that trade cooperation always led to better results, with the poor standing to lose the most from trade conflicts.

63. On behalf of the Chair of the Development Committee, Dominique Bichara, Director of the Corporate Secretariat of the World Bank, said that the capital increase agreed at the 2018 Spring Meetings would allow the Bank to more effectively deliver development results in a financially sustainable manner and ensure that funds were strategically deployed where most needed. Four priorities for the World Bank had been identified by the Committee: staying engaged with all clients; leading on the global public goods agenda; mobilizing capital and creating markets; and improving effectiveness and internal operations.

64. Merza Hasan, Dean of the Board of Executive Directors of the World Bank Group pointed to the forum as an important platform for bringing together institutional stakeholders to discuss progress on its responsibilities and commitments to the 2030 Agenda. He indicated that Bank was thinking about how to use ODA to unleash more capital from markets. The International Finance Corporation was making sure that it was adequately financed and capitalized. The International Development Association package was especially focused on climate and fragility. Other innovations and new tools, such as facilities for pandemics, droughts and refugees, had been developed. Work was ongoing on global concessional financing for middle-income countries that had been affected by refugee inflows. The Bank should partner with the United Nations throughout those and other efforts to mobilize resources.

65. Aleksei Mozhin, Dean of the Executive Board of IMF, described how the Fund was supporting countries in addressing disaster risk and digitalizing economies and taxation. That included a programme for reinforcing resilience and new work to address the challenges associated with digitalization in areas such as productivity, labour and financial markets, and fiscal and monetary policy. He highlighted the ongoing work with partners on tax issues through the Platform for Collaboration on

Tax. The Fund would also conduct a rigorous and candid assessment of excessive global imbalances and do a stocktaking of capital flow measures.

66. Four speakers led the discussions on disaster risk and resilience.[1] It was emphasized that substantially increasing the number of countries with national and local disaster risk reduction strategies in place by 2030 was essential to ensure the transition from managing disasters to reducing disaster risks. It required moving from ex post ad hoc responses towards ex ante prevention and risk reduction. Models for growth needed to be built on resilient infrastructure and risk-informed investment. The World Bank was using development policy lending as an instrument to incentivize Governments to have frameworks in place for disaster risk management plans. It also incorporated disaster- and climate-related risks in its national partnership plans and projects. At the same time, country-specific risk mitigation and disaster preparedness plans that fit into a macrofiscal framework and had the ability to assess progress was critical. The new IMF climate change policy assessment tool, which was being used in some island States to assess and make recommendations on general preparedness for climate change while identifying areas for capacity-building, was a welcome development. Sustainability frameworks for low-income countries should include tailored stress tests for improving preparedness. Future success would require countries to adjust fiscal planning and priorities and necessitate a shift in donor support from ex post to ex ante interventions. It was important to invest in early warning systems, national strategies for disaster risk reduction and integrated national financing frameworks that were multisectoral and that ensured the resilience of development achievements. Greater risk-informed investments were essential and building capacities with regard to risk modelling and mapping were especially useful in that regard.

67. Representatives[2] of the World Bank, IMF, the United Nations and OECD shared their views on taxation in the digitalized economy. Digitalization could enhance tax compliance and, through digital payment systems, Government capacities for improving tax flows could be strengthened. The digitalized economy also increased services to taxpayers. At the same time, there were concerns about difficulties in taxing digital activities. The digital economy raised questions about the need for a targeted versus a comprehensive approach to dealing with the larger tax architecture. There was consensus that rules and standard-setting to establish some agreed norms were needed, as unilateral actions would lead only to fragmentation and distortion and have a disproportionately negative impact on low-income countries. There was now broad consensus that value added tax should be paid, in principle, where consumption took place. The recent report of OECD on that issue had identified the need for an international solution by 2020, even if there might be a case for quick action through interim measures. The Platform for Collaboration on Tax was a useful tool for cooperation. Developing countries formed an integral part of the inclusive framework on base erosion and profit shifting, which provided a forum towards a comprehensive approach.

[1] Aparna Subramani, Executive Director for India, World Bank Group; Nancy Horsman, Executive Director for Canada, IMF; Jerry Matthews Matjila (South Africa), Vice-President of the Economic and Social Council; and Mami Mizutori, Special Representative of the Secretary-General for Disaster Risk Reduction.

[2] Masaaki Kaizuka, Executive Director for Japan, IMF; Hervé De Villeroché, Executive Director for France, World Bank Group; Francisco Duarte Lopes, Permanent Representative of Portugal to the United Nations; and Martin Kreienbaum, Chair of the Committee on Fiscal Affairs, OECD.

# VIII. Expert segment

## Round table A: domestic public resources

68. Participants highlighted the importance of coherent fiscal policies that ensured spending priorities were consistent with long-term, sustainable development objectives. Critical for supporting such coherence were broad-based political support that transcended political cycles; a whole-of-government approach to taxation, including consideration of the municipal level; efficient revenue administration; and a consistent legal framework. Medium-term revenue strategies were essential for laying out a road map for the implementation of legal and policy reforms that would raise additional revenues, as well as administrative reforms to ensure efficient tax collection.

69. Stronger capacity-building for domestic resource mobilization was needed and should be demand-driven and aligned to national sustainable development priorities and needs. Greater capacities to analyse and assess various tax policies were a priority. There was also a call for enhanced efforts by international organizations to support developing countries in building resilient institutions and more efficient administrations, which would help to strengthen resource mobilization efforts. The Committee of Experts on International Cooperation in Tax Matters and the Global Forum on Transparency and Exchange of Information for Tax Purposes were highlighted as two good examples of multilateral support in that area.

70. International tax cooperation could help to address the perceived tension between creating an enabling investment environment and protecting the tax base of countries. It could help to promote a shared understanding and prevent a "race to the bottom", especially in a fast-changing global economy where trends such as digitalization posed challenges to and created opportunities for all countries. Some participants emphasized that the United Nations was ideally placed to convene inclusive multilateral discussions on international tax standard-setting, given its universal membership and resources such as the Committee of Experts.

## Round table B: domestic and international private business and finance

71. The discussion highlighted a range of cases demonstrating that sustainable investments were profitable. Representatives from the private sector noted that there was still work to be done to show wary investors that investments related to the Sustainable Development Goals, and impact investment broadly, could produce good returns. Some investors were using the Goals as a foundation for their investment strategies, including by investing significantly in green and sustainable bonds from multilateral development banks. It was suggested that one way of making progress in that area was to consider the different actors within private finance separately, as their incentives could vary and they would therefore benefit from more tailored strategies.

72. A fundamental component of unlocking private business and financial resources for the Sustainable Development Goals was to strengthen the overall investment climate within countries. One priority in many developing country contexts was the need to enhance transparency, develop legal frameworks and clarify risk allocation for investors. Private investments could be attracted through risk-reducing instruments, such as first-loss tranches, and through better data and information services that bolstered local markets and increased financial services. In landlocked least developed countries, where the demand for interregional connectivity and improved infrastructure was high, regional development banks had supported national

efforts by providing mechanisms such as guarantee schemes, syndicated loans and co-financing arrangements.

73. A balanced approach to improving both the quality and quantity of investment was emphasized, and public-private partnerships were highlighted as one mechanism deserving greater attention and quality assurance. Concerted efforts to build enabling environments and reduce risks for investment should not be equated with broad deregulation and lowered labour standards. Development finance institutions had an important role to play in enforcing rigorous environmental and social safeguards, and it was suggested that such institutions could work more closely with trade unions to monitor implementation.

## Round table C: trade, science, technology, innovation and capacity-building

74. Participants strongly agreed on the importance of a universal, rules-based, open and fair multilateral trading system for making progress on the Sustainable Development Goals. Both multilateral and national measures were key to ensuring a more even distribution of gains from trade. They stressed the importance of analysing the different impacts of trade measures on different sectors and groups, whether in the micro-, small and medium-sized enterprise sector or for women workers and/or those employed in the informal economy. The International Labour Organization and UNCTAD were identified as having unique skill sets in some of the areas identified, and their recent strengthened engagement with WTO was welcomed.

75. Some countries were already prioritizing the inclusion of labour and environmental standards in all new trade agreements. Such efforts should be more widespread and scaled up. Impact assessments could also be strengthened further by incorporating an analysis of how particular trade measures would have an impact on achievement of the Sustainable Development Goals. Involving civil society and vulnerable groups in broad and transparent consultation processes for new trade agreements could ensure greater sustainability.

76. Regarding the role of science, technology and innovation, participants highlighted new opportunities for small and medium-sized enterprises, including those led by women entrepreneurs, such as connection to markets, new employment opportunities and enhanced financial inclusion. At the same time, participants were cognizant of potential risks posed by rapid advances in science and technology, such as the evolution of digital divides into much larger development divides, owing to the uneven distribution of access and adaptation of digital technologies across and within countries. The commercialization of technology could present an obstacle to bringing innovations to scale, particularly in small developing countries.

77. Technology-driven automation also threatened job security and could erode labour standards through the increased power of the gig economy. While potential labour market disruptions were acknowledged, several participants expressed optimism about the possible generation of new and different jobs in line with past technological revolutions. National policies for steering the direction of rapid technological change to produce inclusive economic and social benefits were essential. With respect to the challenge of "brain drain" from developing countries, there was a suggestion to establish stronger international support for tertiary education in developing countries. In addition, increased investment in research and development, the dedication of a larger share of ODA flows, and capacity building could support progress in that area.

## Round table D: international development cooperation

78. International development cooperation would continue to play a key role in achieving the Sustainable Development Goals. ODA was recognized as particularly important in low-income countries and least developed countries, where it often formed a significant proportion of a country's financial resources. Given the size of the financing gap for the Goals and limited ODA, integrated strategies for mobilizing domestic resources and private finance were needed. Blended finance could be effective, but it was not appropriate in all contexts. A stronger evidence base was needed, and further work should be done to collect data on it. Work was being done to develop a methodology to capture all the flows from all providers, regardless of concessionality levels.

79. The curtailment of access to concessional finance as graduation from the least developed country category occurred was mentioned as a concern. Some considered that process to be too abrupt, and there was a call for ensuring that countries in transition did not lose access to essential resources. Participants also raised the issues of challenges to accessing concessional finance in relation to the "middle-income country trap", economic growth amid high rates of poverty and economic growth in weak political and governance contexts. OECD reported that it was working on methodologies for reinstating ODA because of structural factors and pointed to the need for separate measures for countries that had already graduated but faced dramatic events that required ODA.

## Round table E: debt and systemic issues

80. There was shared concern over the rapid rise of debt in many developing countries in recent years. Debt financing had allowed for infrastructure and other key investments in the Sustainable Development Goals. Nevertheless, growing debt levels, especially from private and non-concessional sources, had made many developing countries vulnerable to deteriorations in the global economic environment, such as rising interest rates. Climate-related disasters also contributed to debt vulnerabilities in some small island developing States. In addition, the build-up in corporate debt in many emerging economies could end up threatening public balance sheets, as well as causing a loss of momentum around financial sector regulatory reform.

81. Several options for policy responses were discussed. There continued to be a need for access to concessional financing, increases in domestic resource mobilization, more transparency and a better understanding of existing debt vulnerabilities. The response of the international community to disasters had improved, but much more progress was needed with regard to preparedness. In the ex post space, both private and public initiatives, such as quick disbursement mechanisms and parametric insurance, had led to improved disaster response. State-contingent debt instruments, which adjusted or delayed debt-servicing requirements in response to a predetermined event, held great potential. At the same time, it must be recognized that such instruments would not be sufficient to address a solvency crisis. Gaps remained in the international architecture for dealing with sovereign debt resolution. In the absence of political consensus on a treaty-based mechanism, improvements to official creditor coordination, market-based and soft-law approaches had been taken forward. Another proposal mentioned during the discussion was a regional debt relief initiative for the eastern Caribbean, building on the experience of the initiative for heavily indebted poor countries.

## Expert discussion: encouraging foreign investment to countries in special situations

82. The discussion focused on the commitment contained in the Addis Ababa Action Agenda by the international community to foster investment promotion regimes for least developed countries and countries in special situations. There were many impediments that reduced investment in least developed countries, including poor infrastructure, an unfavourable investment climate and a lack of capacity. Despite the continued need, foreign direct investment continued to bypass least developed countries and countries in special situations. Blended finance was mentioned as one tool to leverage investment; however, it was mostly concentrated in middle-income countries and its suitability in various contexts was questioned.

83. Political stability and strong legal, regulatory and institutional frameworks were agreed to be effective tools for promoting investments. It was suggested that domestic law should remain the primary source for ensuring responsible business conduct, while international rules on investor conduct could supplement domestic legal frameworks, such as those developed by OECD and UNCTAD. Legal capacities in those areas were also critical, especially in the context of the transition of least developed countries towards graduation. The investment support programme for least developed countries was highlighted as a useful public-private partnership.

84. Specific policy options and related actions that could be taken at the national level were discussed. For example, creating ecosystems for investment, productivity and entrepreneurship, including through upgraded infrastructure and transport networks, as well as establishing special economic zones and industrial parks, could be catalysts for foreign direct investment. Special investment agencies could also play a key role by providing one-stop services for access to information, business registration and liaison services for joint ventures. Investment reforms to lower the cost of doing business are critical in that regard.

## Expert discussion: gender equality and the empowerment of women

85. Gender equality and the empowerment of women were deeply rooted in the 2030 Agenda and the Addis Ababa Action Agenda, but efforts needed to be intensified to overcome persistent gender inequalities in a wide range of areas, including wage inequality, job discrimination, unpaid work and a higher likelihood of being employed in the informal, or unregulated, economy. The ongoing contraction of public expenditure in many countries often eroded public services and social protection measures, on which women often depended, including health, education and childcare services.

86. Increasing progressive taxation could contribute to equality and support investment in infrastructure critical for women's empowerment. It was noted that tax systems around the world had been built around the traditional economy of gender, which was no longer fit for purpose. Specifically, tax systems had developed historically in line with the notion that women performed unpaid work and could be subsumed into the fiscal space of their husbands. It was argued that most domestic tax systems had still not been reformed to remove systemic unfairness towards women, and the increased importance of value-added tax in many countries also had regressive effects on poor women. In addition, tax evasion and avoidance reduced the funds that could be used to advance the Sustainable Development Goals and fostered greater inequalities.

87. Apart from taxation issues, policy approaches to address challenges of gender inequality had included the establishment of legal frameworks that put affirmative action for women's empowerment at their centre. For instance, public planning and budgets could integrate the gender perspective, and the recent upgrading of target c of Sustainable Development Goal 5, on policies for the empowerment of women, from a tier 3 to a tier 2 indicator underlined the growing importance of that issue. In addition, all public policies should be aligned with strengthening gender equality. It was critical to foster the inclusion of women in economic and financial systems, including through investments in financial inclusion and training, as well as participation in cooperatives.

# IX. General debate

88. Many Member States reported on their progress in fully integrating the Sustainable Development Goals into national development plans, strategies and budgets. Domestic resources, mobilized by strong national commitment, were widely agreed to be critical, but their impact would be limited without an improved global enabling environment and global partnership for sustainable development. Some developing countries referred to new challenges brought about by innovations such as the digitalized economy and financial technology, as well as other rapidly advancing technologies with unclear effects on developing countries (e.g. artificial intelligence). Those trends underlined the importance of international cooperation and capacity-building in those fast-changing areas and their impact on economic and financial systems.

89. There were repeated calls for ODA commitments to be fulfilled. While there was broad agreement that ODA was integral to financing the Sustainable Development Goals, some countries emphasized the need for diversification through "more comprehensive" approaches in the financing space and consideration of the full means of implementation.

90. There was strong emphasis of the need for targeted attention and approaches for financing and resource mobilization for countries in special situations, in line with their respective challenges. Least developed countries underlined their concern about the weak growth trends in many least developed countries, which put them off track for achieving Sustainable Development Goal 1 by 2030, and related trends in ODA flows, for which the 0.2 per cent commitment was not being met. Enhanced support was required as least developed countries approached the graduation threshold. Small island developing States advocated for a revision of eligibility criteria for concessional financing based, among other things, on the predominance of losses induced by natural disasters faced in small island developing States each year. Gross income level as a measure was no longer adequate, and they welcomed efforts by some multilateral development banks to innovate in that area. Conflict-affected States highlighted the need for approaches that were more sensitive to conflict and complexity and that could lend a helping hand, including through risk guarantees, to encourage private financial investment. Middle-income countries also reported on the challenges they faced with regard to all three dimensions of sustainable development, owing to rising inequalities despite the improvement in macroeconomic indicators, and difficulties of access to long-term capital for financing the Goals, especially for recently graduated countries. South-South cooperation continued to be a complement to, rather than a substitute for, traditional development cooperation.

91. Concerns emerged regarding the impact of climate change on sustainable development and its interlinkages with progress on financing for development. Given the step-change needed in climate finance, some States would have liked for more

attention to have been paid to that topic within the context of financing for development discussions. Others emphasized that climate finance was critical and should be treated as additional to other financing for development flows.

92. Member States recognized the role of the private sector as an essential partner for sustainable development. It was noted that discussions needed to urgently move from whether private finance could be mobilized to how to get it to where it was most needed. The emphasis on changing incentives from short-term to long-term sustainable investment was welcomed by many delegations. Countries reported on efforts to improve domestic enabling environments for private investment, including through foreign direct investment and the implementation of standards and frameworks for public-private partnerships, in alignment with national sustainable development priorities. Innovative financing was also highlighted as an important tool. At the same time, Member States expressed caution about ensuring the necessary balance between the roles of public and private finance for sustainable development.

93. The centrality of capacity-building in developing medium-term resource mobilization strategies, within a holistic approach to sustainable development, was also emphasized. Gender-responsive budgeting was identified as an area in which greater efforts could potentially be made.

94. There was a strong call for strengthened international cooperation on tax and fiscal matters. Some Member States recommended fully upgrading the Committee of Experts on International Cooperation in Tax Matters into an intergovernmental body with experts. The Platform for Collaboration on Tax was welcomed as a useful, coordinated approach to supporting tax systems.

95. The important role of international trade for development and as an important means for achieving the 2030 Agenda was clearly highlighted by most Member States. In general, they underlined the importance of the multilateral trading system while expressing concern about a growing tendency towards unilateral and protectionist rhetoric and measures. Noting the declining trends in the share of least developed countries in global trade since 2011, it was suggested that growing trade deficits in those countries could be reversed alongside better-directed aid for trade. Member States recalled the risk of a renewed cycle of debt crises. There was a call for renewed international efforts towards greater debt sustainability.

96. Member States expressed appreciation to the co-facilitators (Jamaica and Portugal) for their efforts in facilitating a consensus outcome document of the forum. They welcomed the work of the Inter-Agency Task Force on Financing for Development as an effective coordination effort, and many commended its analysis and recommendations as a good basis for measuring progress and addressing gaps in implementation of the Addis Ababa Action Agenda.

## X. Presentation and adoption of the intergovernmentally agreed conclusions and recommendations

97. The President of the Economic and Social Council thanked Courtenay Rattray, Permanent Representative of Jamaica to the United Nations, and Francisco Duarte Lopes, Permanent Representative of Portugal to the United Nations, for bringing the negotiations to a successful conclusion. Ambassador Lopes, on behalf of the co-facilitators, presented the intergovernmentally agreed conclusions and recommendations. The outcome document was adopted by consensus. The Group of 77 and China, the European Union, the United States of America, Switzerland and Mexico explained their positions at the adoption of the document.

## XI. Closing of the forum on financing for development follow-up

98. The forum adopted by consensus its report (E/FFDF/2018/3), which contained the intergovernmentally agreed conclusions and recommendations. The 2018 forum was closed by the President of the Economic and Social Council.

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**Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources**

**Economic and Social Council**
**Substantive session of 2018**
Agenda item 16
**Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and the Arab population in the occupied Syrian Golan**

# Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan

## Note by the Secretary-General

*Summary*

In its resolution 2017/30, entitled "Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and the Arab population in the occupied Syrian Golan", the Economic and Social Council requested the Secretary-General to submit to the General Assembly at its seventy-second session, through the Council, a report on the implementation of that resolution. The Assembly, in resolution 72/240 entitled "Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources", also requested the Secretary-General to submit a report to it at its seventy-third session. The present report, which was prepared by the Economic and Social Commission for Western Asia, has been submitted in compliance with the above-mentioned resolutions of the Council and the Assembly.

The report covers persistent Israeli practices and policies, particularly those which are in violation of international humanitarian law and international human rights law and which affect the social and economic conditions of people living under its military occupation.

* A/73/50.

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The Economic and Social Commission for Western Asia would like to express its appreciation for the contributions from the Food and Agriculture Organization of the United Nations, the International Labour Organization, the Office of the Special Representative of the Secretary-General for Children and Armed Conflict, the United Nations Conference on Trade and Development, the United Nations Educational, Scientific and Cultural Organization, the United Nations Population Fund, the United Nations Children's Fund, the United Nations Industrial Development Organization, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the Office of the United Nations Special Coordinator for the Middle East Peace Process, the World Food Programme, the Office for the Coordination of Humanitarian Affairs and the World Health Organization.

# I. Introduction

1. The Economic and Social Council, in its resolution 2017/30, and the General Assembly, in its resolution 72/240, expressed concerns about the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan, as well as the exploitation, damage, loss or depletion or endangerment of natural resources by Israel in the Occupied Palestinian Territory, including East Jerusalem, and in the occupied Syrian Golan.

2. The present note provides information on relevant developments with regard to the foregoing.

# II. Occupied Palestinian Territory

### Israeli practices in the Occupied Palestinian Territory

3. Palestinians in the occupied territory are subject to a complex combination of Israeli and Palestinian legal systems. In the West Bank, Israeli domestic law is applied extraterritorially to Israeli settlers, while Palestinians are subject to Israeli military law in addition to the Palestinian legal system. The resulting differentiation is particularly problematic as regards criminal matters. Lower human rights standards are applied to Palestinian suspects and defendants compared with Israeli suspects and defendants. The application of two different legal systems in the same territory, on the sole basis of nationality or origin, is inherently discriminatory and also violates the principle of equality before the law, which is central to the right to fair trial. The application of Israeli domestic law to settlers and of Israeli military law to Palestinians in the West Bank also raises concerns as to the obligation of the occupying Power to respect the laws in force in the territory it occupies, unless it is absolutely prevented from doing so.

4. Israeli planning and zoning policies, especially in East Jerusalem and Area C, which constitutes 60 per cent of the West Bank and in which 5 to 10 per cent of Palestinians reside, under full Israeli control, has been deemed restrictive, discriminatory and incompatible with international law.[1] Palestinians can plan and build legally on only 13 per cent of East Jerusalem. After the allocation of land for settlements, the demarcation of closed military zones and the takeover of land for the "barrier", only 30 per cent of Area C remains available for Palestinians. The Israeli Civil Administration permits construction by Palestinians on 0.4 per cent of Area C (see A/72/564, para. 32). Palestinians living there are often faced with nearly insurmountable Israeli obstacles to obtaining construction permits. The rate of approval of building permit applications for Palestinians in Area C during the period 2007–2016 was less than 4 per cent.[2]

### Excessive use of force and settler violence

5. Concerns persist regarding international standards, in particular for civilian demonstrators and stone throwers in the West Bank, and in access-restricted areas in the Gaza Strip. A general lack of accountability for violations by security and military

[1] See A/HRC/34/38, paras. 24, 39 and 40; A/72/90-E/2017/71, para. 4; A/72/564, para. 32; and State of Palestine, Palestinian Central Bureau of Statistics, "Preliminary results of the population, housing and establishments census 2017" (Ramallah, 2018), available from www.pcbs.gov.ps/Downloads/book2364-1.pdf.

[2] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview: Occupied Palestinian Territory" (November 2017), endnote 22.

personnel exacerbates the situation, especially given that several incidents strongly suggest unlawful killing.[3] On 30 March 2018, 18 Palestinians were killed and more than 1,400 injured by the Israeli army, the majority during demonstrations close to the fence separating Gaza from Israel;[4] approximately 800 of the injuries reportedly resulted from live ammunition.[5]

6. Between 1 April 2017 and 31 March 2018, 80 Palestinian civilians, including 3 women and 17 children, were killed by the Israeli army, the security apparatus or settlers, while 12,188 Palestinian civilians were injured, including 419 women and girls and 2,095 children.[6] A number of the casualties had been involved or allegedly involved in attacks against Israelis. During the same period, 16 Israelis were killed and 119 were injured.

7. On 7 March 2018, the Israeli Knesset passed an amendment to the Counter-Terrorism Law granting police commanders the authority to withhold the bodies of Palestinians killed while committing an attack against Israelis, or suspected of doing so, and to set conditions for returning bodies for burial if it is determined that there is reason to fear that, as a result of the funeral, a terrorist attack might be committed, lives might be at risk or the funeral would be used as a platform to praise terror attacks.[7]

*Settler-related violence*

8. Palestinians continued to suffer from settler violence and harassment during the reporting period. Settler violence continued to impede the ability of Palestinian population affected to exercise numerous human rights (see A/HRC/37/43, para. 23). After steadily declining since 2013, violent incidents between Israeli settlers in the West Bank and Palestinians sharply increased in 2017 compared with 2016. There were 180 attacks by settlers reported between 1 April 2017 and 31 March 2018.[6]

9. An increase was recorded in the indictment rate in files opened regarding settler violence between 2014 and 2017,[8] driven at least in part by increased law enforcement and prosecution efforts. Nevertheless, Israel continued to fail to do its utmost to investigate cases of settler violence and prosecute perpetrators (see A/HRC/37/43, para. 23).

10. Palestinians victims of crimes perpetrated by Israelis in the West Bank often choose not to file complaints with the Israeli Police; such offences are usually not investigated.[9] Cases in which settlers attacked Palestinians and their property in the presence of, or even accompanied by, Israeli security forces continued to be documented (see A/72/564, paras. 17–22).

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[3] See A/72/565, paras. 6–16 and 51; see also Amnesty International, *Amnesty International Report 2017/18: The State of the World's Human Rights* (London, 2018), p. 207.

[4] Office for the Coordination of Humanitarian Affairs, "Humanitarian bulletin: Occupied Palestinian Territory" (March 2018).

[5] International Committee of the Red Cross, "The troubling (and rising) human toll in Gaza" (5 April 2018). Available from www.icrc.org/en/document/gaza-troubling-human-toll.

[6] Office for the Coordination of Humanitarian Affairs, monthly figures database, available from www.ochaopt.org/content/monthly-figures (accessed on 17 March 2018).

[7] Knesset, "Knesset passes law granting police the authority to hold terrorists' bodies", press release (8 March 2018). Available from www.knesset.gov.il/spokesman/eng/PR_eng.asp?PRID=13804.

[8] Yesh Din, "Data sheet, December 2017: law enforcement on Israeli civilians in the West Bank – Yesh Din monitoring update 2005–2017", p. 4. Available from www.yesh-din.org/en/data-sheet-december-2017-law-enforcement-israeli-civilians-west-bank; and "Increase in settler violence during the first half of 2017" in Office for the Coordination of Humanitarian Affairs, "Humanitarian bulletin: Occupied Palestinian Territory" (July 2017), available from www.ochaopt.org/content/increase-settler-violence-during-first-half-2017.

[9] Ibid, p. 2.

**Detention and ill-treatment**

11. As of the end of February 2018, at least 5,890 Palestinians were being held as "security detainees" or serving a sentence in Israeli prisons,[10] including 356 children[11] and 61 women.[12] Grave concerns over the detention of Palestinian children remain, since such detention must be used as a last resort and for the shortest period possible.[13]

12. As of the end of February 2018, 427 Palestinians were being held in administrative detention, including 4 children.[14] Between 1967 and 2014, the Israeli authorities issued more than 50,000 administrative detention orders. As of July 2017, there were at least 449 administrative detainees in Israeli prisons who were being held without charge or trial for an indefinite period of time.[15] Resort to administrative detention must be consistent with the obligations of Israel under international human rights law and with the exceptional nature of internment permitted under article 78 of the Geneva Convention relative to the Protection of Civilian Persons in Time of War.

13. Most Palestinian prisoners and detainees are held in facilities outside the Occupied Palestinian Territory. International humanitarian law forbids the transfer of protected persons, including those accused of offences, to the territory of the occupying Power. This practice makes it difficult or impossible for families to visit the detainees (see A/72/565, para. 38).

14. As stated last year in a note by the Secretary-General, the Committee against Torture expressed concern about a number of Israeli practices towards Palestinian detainees, including minors. Such practices include deprivation of basic legal safeguards for administrative detainees, isolation and solitary confinement of detainees, including minors, punishment and ill-treatment of hunger strikers, torture or ill-treatment of Palestinian children and the hindering of visits of relatives for child prisoners. The Committee also expressed concern about information it had received to the effect that there was no proper accountability for torture and ill-treatment (see A/72/90-E/2017/71, para. 18; see also CAT/C/ISR/CO/5, paras. 22, 24, 26, 28 and 30). No criminal investigations have been opened into the more than 1,000 complaints of torture and ill-treatment filed since 2001.[16] Complaints of torture or ill-treatment involve the Israel Security Agency in particular. Although the number of complaints involving the Agency has quadrupled since June 2013, none has led to a criminal investigation (see A/HRC/WG.6/29/ISR/2, para. 23; see also A/HRC/31/40, paras. 47 and 48; A/HRC/34/38, paras. 48–50; and A/71/364, paras. 58–60). Nevertheless, five indictments were issued against Israeli soldiers suspected of having harmed Palestinian detainees while they were handcuffed and in custody.[17]

[10] Excluding those held in military prisons.

[11] B'Tselem, statistics on Palestinians in the custody of the Israeli security forces database, available from www.btselem.org/index.php/statistics/detainees_and_prisoners (accessed on 3 April 2018).

[12] Addameer, Statistics database, available from www.addameer.org/statistics (accessed on 8 March 2018).

[13] Information received from the United Nations Children's Fund (UNICEF).

[14] B'Tselem, statistics on administrative detention database, available from www.btselem.org/index.php/administrative_detention/statistics (accessed on 3 April 2018).

[15] Addameer, "Ten facts on administrative detention" (12 February 2014). Available from www.addameer.org/publications/ten-facts-administrative-detention.

[16] Amnesty International, *Amnesty International Report 2017/18*, p. 209; see also A/HRC/37/42.

[17] Yesh Din, "Data sheet, January 2017: law enforcement on Israeli soldiers suspected of harming Palestinians — figures for 2015", p.11. Available from https://s3-eu-west-1.amazonaws.com/files.yesh-din.org/2016+דצמבר+מצח+נתונים+דף/YeshDin+-+Data+1.17++-+English.pdf.

**Destruction and confiscation of property and infrastructure**

15. Continued demolitions by Israel and the resulting forced evictions of Palestinians are key factors contributing to a coercive environment in the West Bank, including East Jerusalem, in which specific circumstances may leave no other choice to individuals or communities but to leave.[18] Demolitions and the resulting forced evictions often constitute grave violations of human rights law (see A/72/564, para. 49) and international humanitarian law, which prohibits the destruction or confiscation of private property (see A/HRC/37/43, para. 33).

16. Between April 2017 and March 2018, the Israeli authorities demolished more than 310 Palestinian structures, a decline from the previous reporting period. The total number of demolished structures is 5,413 since 2009, including 2,009 residential and 917 donor-funded structures.[19] 2017 witnessed the second largest number of Israeli demolitions of Palestinian structures in East Jerusalem since 2000, although lower than in 2016, when 190 demolitions were recorded.[20]

17. Israeli authorities cite the lack of building permits, which are nearly impossible to obtain, to justify the demolition of Palestinian homes (see A/72/564, paras. 23–25). By the end of 2017, there were more than 13,000 demolition orders pending against Palestinian property in Area C.[21]

18. During the reporting period, Israeli authorities carried out nine punitive demolitions[19] of family homes of Palestinians suspected of having carried out attacks, a measure that may amount to collective punishment prohibited under international humanitarian law and international human rights law (see A/72/565, paras. 18–27).

19. Furthermore, as of September 2017, 66 cases of demolitions and confiscation related to agricultural structures or assets, and 39 cases related to food assistance, had been recorded for 2017.[22]

20. Confiscation of property by Israel as a punitive measure against neighbours of Palestinians suspected of having attacked Israelis may also amount to collective punishment (see A/72/565, paras. 23–27). Over one third of Area C is formally designated as public land (referred to as "State land" by Israel). The vast majority of "State land" declarations took place before the start of the Oslo peace process in the early 1990s. It is estimated that between 750 $km^2$ and 900 $km^2$ were declared "State land" by Israel between 1979 and 1992. "State land" has been allocated exclusively for use by Israel and its citizens, rather than for the benefit of the local population.

**Population displacement**

21. There is continued concern that the combination of State-sanctioned land seizures, retroactive legalization of settler outposts, demolition of Palestinian homes and livelihood structures, denial of Palestinian building permits, restrictions on movement and access to livelihoods, and settler violence and a lack of accountability for such violence to contribute to the creation of a coercive environment in areas under full Israeli control, propelling Palestinians to move out of certain parts of Area C and East Jerusalem. Involuntary displacement and relocation to alternative

[18] See A/72/564, para. 27; see also Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", annex I (protection).

[19] Office for the Coordination of Humanitarian Affairs, demolitions and displacement database. See www.ochaopt.org/page/demolition-system (accessed on 12 March 2018).

[20] Office for the Coordination of Humanitarian Affairs, "Humanitarian bulletin: Occupied Palestinian Territory" (December 2017).

[21] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", endnote 22.

[22] Ibid, p. 11.

residential areas, as a result of such policies, may amount to forcible transfer if it is carried out without the free and informed consent of the individuals who relocate, in violation of the obligations of Israel under international humanitarian and human rights law. Forcible transfer is a grave breach of the Fourth Geneva Convention and amounts to a war crime.[23]

22. During the reporting period, 448 Palestinians were displaced after home demolitions in the West Bank, including East Jerusalem, marking a sharp decline compared to 1,263 and 1,162 people displaced during the two previous reporting periods, respectively. The total number of Palestinians displaced as a result of home demolitions since 2009 amounts to 8,681 people, including 4,528 children.[19]

23. As a result of the planning regime, at least one third of all Palestinian households in East Jerusalem lack a building permit issued by Israel, which places 100,000 residents at risk of displacement.[20]

24. This and the strict residency regime for East Jerusalem and restrictions on family reunification involving residents of East Jerusalem and other parts of the Occupied Palestinian Territory contribute to the displacement of Jerusalemite Palestinians (see A/HRC/37/43, paras. 55 and 63).

25. Between 1967 and May 2017, Israel revoked the Jerusalem residency status of 14,595 Palestinians.[24] On 7 March 2018, the Israeli Knesset passed an amendment to the Entry into Israel Law that allows the Interior Minister to revoke the permanent residency of Palestinians in East Jerusalem who have committed terrorist activities, treason or espionage, as defined under Israeli law, or "acts that constitute breach of trust against the State of Israel".[25]

26. Lawsuits based on a claim of previous Jewish ownership have also been a frequent strategy for settler organizations to acquire property in East Jerusalem. Since 2004, there has been an increase in settler takeover in neighbourhoods surrounding the Old City, through purchase and claims of prior ownership before 1948 (see A/HRC/37/43, para. 40). With proceedings under way, 180 Palestinian families were at risk of eviction from their homes in East Jerusalem in 2017 as a result of legal action by settlers.[26]

27. Displacement of Jerusalemite Palestinians is evidenced by the growing population of East Jerusalem neighbourhoods behind the "barrier" in the West Bank, where rent is lower and restrictions on housing expansion fewer. It is the only place where Palestinians with residency status in Jerusalem can live with spouses from the West Bank without losing their status. These neighbourhoods suffer from lack of essential services and basic infrastructure, however (see A/HRC/37/43, para. 56). Palestinians living in those neighbourhoods also have to pass through Israeli checkpoints to enter Jerusalem.

28. An additional factor contributing to the creation of a coercive environment in Area C is the plan to evict and relocate Bedouin and herder communities, including approximately 7,500 persons belonging to 46 Bedouin communities, most of them

[23] See A/72/564, paras. 27 and 36; see also A/HRC/34/38, paras. 27–28; A/HRC/31/43, paras. 44, 46 and 50–60; A/HRC/24/30, paras. 28–29; A/68/513, paras. 30–34; A/HRC/25/38, paras. 11–20; A/HRC/28/80, para. 24; and A/69/348, para. 13.

[24] Association for Civil Rights in Israel, "East Jerusalem: facts and figures 2017" (21 May 2017).

[25] Knesset, "Knesset passes legislation authorizing interior minister to revoke permanent residency status over involvement in terrorism", press release (7 March 2018). Available from www.knesset.gov.il/spokesman/eng/PR_eng.asp?PRID=13803.

[26] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", pp. 9 and 10.

refugees, who are at particular risk (ibid., paras. 24 and 25; see also A/72/564, para. 36).

29. In Gaza, by November 2017, approximately 23,500 Palestinians remained displaced as a result of the 2014 conflict owing to Israeli restrictions on the entry of reconstruction materials and limited reconstruction funding.[27]

**Israeli settlement activity**

30. Israeli settlement activity in the Occupied Palestinian Territory violates a number of Security Council resolutions, including resolution 2334 (2016), in which the Council reaffirmed that the establishment by Israel of settlements in the Palestinian territory occupied since 1967, including East Jerusalem, had no legal validity and constituted a flagrant violation under international law and a major obstacle to the achievement of the two-State solution and a just, lasting and comprehensive peace. Such settlements also have a serious impact on the human rights of the Palestinian people (see A/72/564, para. 4).

31. The Israeli settler population has more than doubled since the Oslo Accords in 1993: by the end of 2016, there were almost 600,000 persons living in more than 227 settlements, 97 of which had been established without formal authorization by the Government of Israel and labelled as "outposts".[28] Israeli settlements and areas associated with them cover 40 per cent of the total area of the West Bank.[29]

32. In recent years, the growth rate of the Israeli settler population has surpassed that of both the overall population of Israel and the Palestinian population in the West Bank.[30] Policies of the Government of Israel support population growth in the settlements through State-led public services, incentives and preferential treatment (see A/72/90-E/2017/71 and A/71/86-E/2016/13). The United Nations High Commissioner for Human Rights indicated that Israeli policies regarding the settlements amounted to the "transfer by Israel of its population into the Occupied Palestinian Territory, which is prohibited under international humanitarian law".[31]

33. Israeli settlements remain one of the drivers of displacement and forced evictions. Measures that accompany the construction of settlements often can hinder the mobility of Palestinians, including access to their own agricultural lands. Palestinians living in the vicinity of settlements are subjected to an increase in tensions and violence in view of the presence of not only settlers, but also Israeli soldiers and security forces to ensure the safety of settlers. They may also suffer from the collective punishment imposed on them in response to any attack against Israelis (see A/HRC/37/43, paras. 15 and 45–54).

34. In May 2017, Israeli authorities formally approved the establishment of a new settlement in Area C for the first time since 1992, notwithstanding the establishment of other settlements through the retroactive legalization of outposts. The new settlement in Area C was established for settlers evicted from outposts.[32]

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[27] Ibid., p. 7.

[28] B'Tselem, "Settlements" (11 November 2017), available from www.btselem.org/settlements; and Peace Now, "Settlement watch" database, available from http://peacenow.org.il/en/settlements-watch/settlements-data (accessed on 14 March 2018).

[29] B'Tselem, "Settlements".

[30] Information received from the United Nations Conference on Trade and Development; and B'Tselem, "Settlements".

[31] See A/HRC/37/43, para. 69; and Fourth Geneva Convention, art. 49 (6).

[32] See A/72/564, para. 6; see also Peace Now, "Jurisdiction of the new settlement 'Amihai' approved" (30 May 2017), available from http://peacenow.org.il/en/jurisdiction-new-settlement-amihai-approved; and A/HRC/37/43, paras. 8 and 15–17.

35. On 8 February 2017, the Knesset adopted the Law for the Regularization of Settlement in Judea and Samaria, authorizing the continued use of privately owned Palestinian land previously confiscated for settlement purposes. It was the first time that the Knesset had extended its jurisdiction to matters concerning the private property of Palestinians living under Israeli military occupation (see A/72/564, paras. 14 and 15).

**Movement and access restrictions**

*Gaza closure*

36. Nearly 2 million Palestinians in Gaza continue to suffer from the impact of successive military escalations, compounded by tightened closures following the takeover by Hamas of the Gaza Strip in 2007. The blockade may amount to collective punishment, which is prohibited by international law (see A/72/565, para. 28). It continues to undermine the civil, political, economic, social and cultural rights of Palestinians in Gaza (see A/HRC/34/38, para. 29; A/71/364, paras. 28–29; A/70/421, paras. 15–22; and A/HRC/31/44, paras. 40 and 43).

37. Following the 2014 hostilities, Israel introduced measures that eased the movement of people and goods into and out of the Gaza Strip. Nevertheless, the requirement by Israel to coordinate and monitor the entry of crucial raw materials deemed as "dual-use" items, the temporary restrictions on the entry of cement and other materials needed for reconstruction, and the recurring interrogations and confiscations or withdrawals of permits for traders and merchants continue to have a detrimental effect on the economic, social and humanitarian situation in the Gaza Strip (ibid.).

38. In 2017, the number of exits through the Israeli-controlled Erez crossing dropped by almost 50 per cent compared with the previous year, reaching the lowest rate since 2014. Israeli authorities also required Gaza residents travelling abroad to sign a waiver pledging not to return using the same route for a year, i.e. they would therefore be able to return earlier only through the Rafah crossing. In some cases, travellers were detained at the crossing until they signed the commitment.

39. Moreover, the number of valid permits issued for traders as of December 2017 was 551, compared with between 3,500 and 3,700 in late 2015.[30,33]

40. The approval rate for medical patients allowed through the Erez crossing declined to 54 per cent in 2017, compared with 93 per cent in 2012.[34] In some instances, patients who had been granted permits to cross at Erez for medical treatment outside Gaza were reportedly stopped at the crossing if they did not cooperate when being stopped by Israeli security forces and asked to provide information about armed groups or relatives allegedly affiliated with armed groups in Gaza (see A/72/565, para. 32).

41. The Rafah border crossing largely remained closed by the Egyptian authorities in 2017, except on limited occasions (ibid., para. 29).

[33] Office for the Coordination of Humanitarian Affairs, "Gaza crossings: movement of people and goods" database, available from www.ochaopt.org/page/gaza-crossings-movement-people-and-goods; see also Gisha: Legal Center for Freedom of Movement, "2017: tightening of the closure — a round-up of 10 recent measures imposed by Israel further limiting movement of people to and from Gaza", available from www.gisha.org/UserFiles/File/2017Tightening_of_the_closure.pdf; and Amira Hass, "Israel to let Gazans leave via West Bank — as long they don't return for at least 12 months", *Haaretz*, 10 March 2016, available from www.haaretz.com/israel-news/.premium-gaza-residents-allowed-to-travel-as-long-as-they-stay-away-1.5415467.

[34] Information received from the World Health Organization (WHO).

42. The Gaza Reconstruction Mechanism has played a crucial role in facilitating the import of construction materials into the Gaza Strip but has been less successful in facilitating the import of "dual-use" materials critical for public works projects.[35] Nevertheless, approvals of large projects and the import of dual-use items have increased in 2018.[36]

43. Citing security concerns, the Israeli army has also enforced "access-restricted areas" along the border fence with Israel and at sea, significantly undermining the right of Palestinian fishermen and farmers to a livelihood (see A/HRC/34/38, para. 29; A/70/421, paras. 30–38; and A/HRC/31/44, para. 43). Officially, the Israeli authorities impose a "no go" area of up to 100 m from the perimeter fence and up to 200 m for heavy machinery. Nevertheless, humanitarian organizations have reported that in practice up to 300 m from the perimeter fence is considered by most farmers as a "no go" area and up to 1,000 m is considered a "high risk" area.[37]

44. While sea restrictions have varied, Israel, citing security concerns and attempts to smuggle weapons by sea and conduct attacks using boats,[38] imposes a fishing limit at 6 nautical miles, less than one third of the 20 nautical miles allocated for fishing under the Oslo Accords. The limit is expanded to 9 nautical miles during the sardine season.[39]

*Movement restrictions in the West Bank*

45. Administrative, bureaucratic and physical constraints hamper the movement of Palestinians in the West Bank and undermine economic activity, access to basic services and the delivery of aid and relief, and undermine freedom of movement (see A/HRC/31/44, paras. 12–21).

46. Israel continues to construct the "barrier" in the West Bank. About 65 per cent of its route has been completed. Approximately 85 per cent of the current 712 km planned route lies within the West Bank rather than along the 1949 Armistice Line (the Green Line),[40] contrary to the 2004 advisory opinion of the International Court of Justice, which states that "the construction of the wall being built by Israel, the occupying Power, in the Occupied Palestinian Territory, including in and around East Jerusalem, and its associated regime, are contrary to international law" (see A/ES-10/273 and A/ES-10/273/Corr.1). Another 53 km (7.5 per cent) of the "barrier" is under construction. If construction is completed along the entire planned route, about 9.4 per cent of the West Bank would be isolated between the wall and the Green Line and up to 25,000 Palestinians could be added to the 11,000 Palestinians already isolated in the seam zone[41] as of November 2017, many of whom are consequently encountering difficulties in accessing the rest of the West Bank.[42]

47. According to an Israeli local government audit, 140,000 Palestinians live in the eight neighbourhoods within the borders of the Jerusalem municipality as defined by

[35] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 7.
[36] Information received from the Office of the Special Coordinator for the Middle East Peace Process.
[37] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 5.
[38] Judah Ari Gross, "Shin Bet, IDF thwart Islamic Jihad attack on navy boats off Gaza coast", *Times of Israel*, 4 April 2018. Available from www.timesofisrael.com/shin-bet-idf-thwart-islamic-jihad-attack-on-navy-boats-off-gaza-coast.
[39] Office for the Coordination of Humanitarian Affairs, "Humanitarian bulletin: Occupied Palestinian Territory", special edition, May–June 2017.
[40] Office for the Coordination of Humanitarian Affairs, "Occupied Palestinian Territory: humanitarian facts and figures" (December 2017), p. 10.
[41] The area that lies between the wall and the Armistice Line of 1949.
[42] B'Tselem, "The separation barrier" (11 November 2017). Available from www.btselem.org/separation_barrier.

the Israeli authorities but are separated from the rest of East Jerusalem by the "barrier". These neighbourhoods suffer from a lack of basic infrastructure, municipal services and law enforcement, and from poor living conditions, although the communities themselves are under the authority of the municipality of Jerusalem and pay municipal taxes. The "barrier" also impedes freedom of movement and access to education and municipal services in these neighbourhoods (see A/HRC/37/43, paras. 38 and 58).

48. Regarding the impact of the "barrier" on the health situation, in 2017, 12 per cent of patient applications and 18 per cent of patient companion applications from the West Bank to access East Jerusalem or Israel were denied. Direct access for ambulances remains problematic, with ambulances delayed for security checks. About 90 per cent of the 2,125 Palestinian Red Crescent Society ambulances entering Jerusalem from other parts of the West Bank every year are forced to transfer patients to another ambulance at checkpoints, which delays transit.[43]

49. Moreover, by the end of January 2017 in a number of regions in the West Bank, about 60 km of West Bank roads were designated for exclusive, or near-exclusive, use by Israeli citizens and off limits to Palestinians.[44] Firing zones for military training purposes in the West Bank cover approximately 17.5 per cent of its total area and 29 per cent of Area C, also putting constraints on movement (see A/72/564, para. 41).

50. Farmers in 90 Palestinian communities own land within or in close proximity to 56 Israeli settlements. Those farmers can access their land only by means of "prior coordination" with the Israeli authorities, which usually grant access for only a limited number of days during the harvest and ploughing seasons. During the 2017 olive harvest season, as in previous years, many Palestinian farmers reported that the time allocated was insufficient, or that the Israeli army did not arrive at the designated time to allow them to access their land, leaving farmers insecure and vulnerable to attacks by settlers.[45]

51. Special permits or "prior coordination" is also required for Palestinian farmers to access farm land designated as "closed" in the seam zone. If they are granted approval, farmers must cross designated gates along the "barrier" or checkpoints in order to reach their land. During the 2017 olive harvest, 76 gates were designated for agricultural access, down from 84 gates the previous year (see paras. 68–72 below).[46]

52. According to a 1997 agreement between Israel and the Palestine Liberation Organization, the Israeli army maintains control of more than 20 per cent of Hebron city, an area referred to as the H2 zone, which is home to approximately 40,000 Palestinians and a few hundred Israeli settlers living in five settlement compounds. Israelis cannot access H1 areas of Hebron.[47]

53. Israel has implemented severe movement restrictions in the H2 zone and surrounding areas, citing security concerns and attacks by Palestinians. It has erected more than 100 obstacles, including 20 staffed checkpoints, and segregated the settlement area and its surroundings from the rest of the city. This has had an impact on the freedom of movement of the entire Palestinian population of the H2 zone, as well as of other residents of Hebron city. The resulting extraordinary economic, social

[43] Information received from WHO.

[44] Yesh Din, "Through the lens of Israel's interests: the civil administration in the West Bank", position paper (December 2017), p. 14; and A/71/86-E/2016/13, para. 5.

[45] Office for the Coordination of Humanitarian Affairs, "Humanitarian bulletin: Occupied Palestinian Territory" (November 2017).

[46] Ibid.

[47] Office for the Coordination of Humanitarian Affairs, "The humanitarian impact of Israeli settlements in Hebron city" (February 2018).

and humanitarian challenges have created displacement pressures for Palestinians living there.[48] Movement restrictions, attacks and intimidation by Israeli settlers, and a lack of adequate law enforcement concerning violent settlers, have resulted in the displacement of Palestinians from their homes in Hebron city.[47] Between April 2017 and January 2018, 252 access-related incidents in the West Bank were reported by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). Those incidents resulted in the loss of an estimated 1,222 individual workdays or 9,175 work-hours. This affects the delivery of education, health and relief services to the Palestine refugees.[49]

**Exploitation, endangerment and depletion of Palestinian natural resources**

*Water*

54. Water shortages continue to disrupt daily life and impede development interventions in the West Bank and Gaza Strip. About 1.8 million Palestinians are in need of humanitarian water, sanitation and hygiene assistance.[50]

55. Owing to the restrictive planning regime, communities in Area C have limited ability to repair, rehabilitate or construct basic water and sanitation infrastructure at the community or household level, resulting in insufficient water for drinking, domestic use and livestock consumption in many communities. Altogether, in Israeli-controlled Area C and Palestinian-controlled Areas A and B, and also as a result of the poor state of the pipelines linking Palestinian communities in the West Bank and of the water grids within Palestinian cities and villages, one third of all water supplied through the grid to the Palestinians is lost through leakage.[51]

56. Twenty-two per cent of the West Bank Palestinian population — 649,000 people — suffer from either lack of access to water or poor quality of water. Around 156,000 people are either not connected to a water network or receive water less than once a week.[52]

57. In Area C, around 95,000 people receive less than 50 litres of water per capita per day, half of the minimum recommended by the World Health Organization (WHO).[53] Those include around 20,000 people living in Bedouin or herding communities in dwellings that the Israeli authorities consider "illegal" and who have access to only about 30 litres per day at a cost 10 times higher than through the network.[54]

58. Palestinians are also forced to rely on pumping and storing water at exorbitant cost, as they are not allowed to use the water pipes that run in close proximity to their villages that supply the settlements.[55]

59. Between January and November 2017, Israeli authorities demolished or seized 19 structures related to water, sanitation and hygiene in Area C of the West Bank,

[48] Office of the Special Coordinator for the Middle East Peace Process, "Report to the Ad Hoc Liaison Committee" (20 March 2018).
[49] Information received from UNRWA.
[50] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 27.
[51] Ibid., pp. 11 and 27.
[52] Ibid.
[53] Ibid., p. 29.
[54] Information received from UNICEF.
[55] Association for Civil Rights in Israel, "Between the green line and the red line", in "50 years: a State without borders — people without human rights", available from www.acri.org.il/campaigns/50yearsen.

including cisterns, water pipes and mobile latrines, claiming that they had been installed without permits.[56]

60. In East Jerusalem, only 59 per cent of Palestinian residents are connected legally to the water grid. Palestinians suffer from substandard water and sewage connections owing to the ongoing lack of proper planning and allocation of resources for their neighbourhoods.[57]

61. Ongoing deficits in the water, sanitation and hygiene sector affect all 2 million people in the Gaza Strip.[56,58] About 40 per cent of water supplied for domestic use is lost on the way to consumers owing to the poor condition of the infrastructure.[59]

62. Wastewater contamination and overpumping has rendered more than 95 per cent of the water extracted from the Gaza coastal aquifer unfit for human consumption. At its present rate of deterioration, the damage to the aquifer is expected to be "irreversible" by 2020. Increased electricity cuts have exacerbated the situation. About 90 per cent of people in Gaza rely on purchasing desalinated water from private companies, which entails heavy financial burdens on already impoverished families and increases health risks owing to potential contamination.[60]

63. Merely 10.4 per cent of the population in Gaza has access to improved drinking water sources,[61] with less than 50 litres of water available per person per day, half the minimum international standard.[62] No single person obtains the WHO recommended amount of water of 100 litres per capita per day.

64. According to 2016 figures from the Palestinian Water Authority, 98 million cubic metres of water were supplied for domestic use in Gaza, from different sources. Only 18 per cent of the water supplied from those sources was safe for drinking.[63]

65. Recent efforts are being made to address some of the water challenges, notably the resumption of the meetings of the Joint Water Committee and the start of the North Gaza Emergency Sewage Treatment project for the West Bank and Gaza. Some progress has also been made on the Red Sea-Dead Sea Canal project.

*Pollution*

66. The deterioration in infrastructure and electricity supply to Gaza has had severe consequences for the operation of water treatment facilities, wastewater pumping stations and drinkable piped water.[64] A quarter of the population is not connected to the sewage network and pollution levels are now four times higher than the

[56] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", pp. 28 and 29. Water, sanitation and hygiene vulnerability is based on community needs assessment conducted by Action Against Hunger and Gruppo di Volontariato Civile, in cooperation with the Palestinian Water Authority and the Palestinian Hydrology Group.

[57] Association for Civil Rights in Israel, "East Jerusalem: facts and figures 2017", pp. 4–5.

[58] United Nations, "Gaza ten years later: United Nations country team in the Occupied Palestinian Territory" (July 2017).

[59] B'Tselem, "Water crisis" (11 November 2017). Available from www.btselem.org/water.

[60] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", pp. 8 and 27.

[61] Economic and Social Commission for Western Asia (ESCWA), based on the 2014 multiple indicator cluster survey.

[62] Information received from UNICEF.

[63] Information received from the Food and Agriculture Organization of the United Nations (FAO).

[64] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 28, based on Office for the Coordination of Humanitarian Affairs, "Gaza crisis: early warning indicators — June 2017, available from www.ochaopt.org/sites/default/files/gaza_indicators_final.pdf.

environmental health standard.[65] About 108 million litres of raw or poorly treated wastewater are discharged into the Mediterranean Sea from Gaza every day and 73 per cent of the shoreline is contaminated by sewage.[58]

67. Official Palestinian sources have claimed that practices by Israeli authorities and settlers, including the illegal transfer of hazardous waste to the West Bank and the allocation of parts of the Jordan Valley to an Israeli dumpsite devoted to industrial waste, have gravely damaged Palestinian agricultural land, health, animals and biodiversity.[66]

*Access to agricultural land*

68. The ability of Palestinians to access and utilize agricultural land is compromised by various factors, including movement restrictions, land confiscations and settler violence.

69. Restrictions hamper access by Palestinians to lands in the seam zone and in the vicinity of settlements, impeding essential year-round agricultural activities and affecting productivity and value in the olive sector. For example, the yield of olive trees in the seam zone was reduced by between 55 and 65 per cent over the past four years, compared with similar trees in areas that can be accessed all year round.[45]

70. According to the Palestinian Ministry of Agriculture and Rural Development damage database, the uprooting, burning and destruction of trees and other crops, the demolition of the structures and the implementation of stop orders in 2017 resulted in almost $2 million worth of damage.[67]

71. During the 2017 olive harvest season alone (from mid-September until mid-November), a total of 5,582 Palestinian-owned olive trees were damaged by settlers, compared with 1,652 trees during the 2016 season. In one instance, Palestinian farmers reported that, when they were granted permission to visit their land, they found that the produce of 3,200 olive trees had been harvested and stolen.[45]

72. The agricultural sector in Gaza, including farmers, herders, breeders and fishermen, continued to suffer in 2017 from reduced productive capacity and instability of income despite the slow increase in exports since the end of the 2014 hostilities.[68] The restoration of land, irrigation systems, greenhouses, soil fertility and fruit orchards has been slow, resulting in dependency on short-term assistance. Delays in and limitations on the import of products such as pipes and timber imposed under the dual-use regime also have a negative effect on agriculture.[69]

*Exploitation of mineral resources*

73. Since the 1970s, Israeli companies and corporations have been granted permits to quarry natural resources in the Occupied Palestinian Territory. According to official Israeli data from 2010, eight Israeli-owned and eight Palestinian-owned quarries were

[65] Abeer Abu Shawish and Catherine Weibel, "Gaza children face acute water and sanitation crisis" (UNICEF, 1 September 2017). Available from www.unicef.org/wash/oPt_100684.html.

[66] See A/72/90-E/2017/71, para. 61; and Adam Aloni, *Made in Israel: Exploiting Palestinian Land for Treatment of Israeli Waste* (B'Tselem, 2017), conclusions, available from www.btselem.org/publications/summaries/201712_made_in_israel.

[67] Information received from FAO based on data obtained January 2018 from the Palestinian Ministry of Agriculture and Rural Development.

[68] According to the Office for the Coordination of Humanitarian Affairs, in 2017 a total of 2,621 truckloads of goods were transferred out of Gaza compared with 2,132 truckloads in 2016. See Office for the Coordination of Humanitarian Affairs, "Gaza crossings: movement of people and goods" database.

[69] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", pp. 35 and 36.

then active in Area C of the West Bank, transferring 94 per cent and 80 per cent of their production to Israel, respectively.[70]

74. According to the Union of Stone and Marble Producers in the West Bank, no new permits have been issued to Palestinian companies to open quarries in Area C since 1994, even though the Oslo Accords provided for this. Moreover, many previous permits have expired. Consequently, only a very small number of quarries are still operating in Area C. Quarry closures have been accompanied by equipment confiscation and fines.[71]

**Socioeconomic conditions in the Occupied Palestinian Territory**

75. Ending the occupation is the single most important factor in enabling Palestinians to chart a successful course to achieving the Sustainable Development Goals. Around 2.5 million Palestinians, half the population, need humanitarian assistance.[72]

76. The United Nations country team in the Occupied Palestinian Territory has estimated that, owing to the closure, recurrent military operations and internal Palestinian divisions, Gaza will become unliveable by 2020. The team has also estimated that, without international aid and services provided by the United Nations, the Gaza Strip would have been deemed unliveable years ago. In any event, the downward trend remains clear.[58]

77. About 80 per cent of Palestinians in Gaza receive aid, including food assistance that enables scarce cash resources to be spent on other essentials, preventing a further deterioration of food security and livelihood status and reducing the impact of negative coping mechanisms.[73]

*Economic performance*

78. The economic situation in the Occupied Palestinian Territory deteriorated during 2017. The economy has long suffered from restrictions on movement, access and trade that have kept investment levels extremely low and resulted in an erosion of the productive base. Substantial amounts of financial assistance from the international community have helped mitigate the impact of the restrictions on growth by fuelling public and private consumption. The most recent data revealed growth of 2.4 per cent in 2017, led by the West Bank; in Gaza, it was a mere 0.5 per cent.[74]

79. Estimates of constant-price GDP and GDP per capita for the West Bank in the fourth quarter of 2017 stood at 8.4 per cent and 6.0 per cent, respectively, higher than in the fourth quarter of 2016. For Gaza, however, they were 2.9 per cent and 6.9 per cent lower, respectively.[75] Deterioration of infrastructure, cuts in expenditure by the

[70] Yesh Din, "The great drain: Israeli quarries in the West Bank — high court sanctioned institutionalized theft", position paper (September 2017), introduction.

[71] World Bank, "Area C and the future of the Palestinian economy" (2 October 2013), paras. 30 and 31. Available from openknowledge.worldbank.org/bitstream/handle/10986/16686/AUS29220REPLAC0EVISION0January02014.pdf.

[72] United Nations and State of Palestine, "United Nations Development Assistance Framework State of Palestine 2018–2022", situation analysis; and Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 17.

[73] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 8.

[74] World Bank, "Economic monitoring report to the Ad Hoc Liaison Committee: 19 March 2018", chap. I.A.

[75] Information based on ESCWA calculations, based on Palestinian Central Bureau of Statistics data, available from www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_29-3-2018-qna-en.pdf.

Palestinian Authority, the continuing closure and internal Palestinian division have affected the growth performance of Gaza.[76]

80. The rates of economic growth in the Occupied Palestinian Territory will be insufficient to remedy economic imbalances and meaningfully improve living standards in the coming years.[77] Post-2014 growth represents a reconstruction boom and catch-up rather than expansion into new economic sectors. The situation is worsened by low public and private investment.

81. Projections by the International Monetary Fund indicate that growth will be 3 per cent in 2018 (2.7 per cent for the West Bank and 4.0 per cent for Gaza),[78] as Israeli restrictions on the movement of goods, labour and persons affect the economy and the financial sector, and as aid inflows remain low. Liquidity constraints and fewer economic buffers are holding back consumption and investment, most acutely in Gaza.[58]

82. Regarding fiscal performance, net revenues were up by 7.3 per cent in the first half of 2017 compared with the same period in 2016. Yet, a budget deficit of 8.4 per cent of GDP is still anticipated for 2017, with falling donor transfers putting further pressure on government finances.[79] Inflation is projected to be 1.2 per cent in 2017, following the deflation of 2016. Macroeconomic indicators are vulnerable to restrictive measures imposed by Israel and other risk factors.

83. Labour market conditions in the Occupied Palestinian Territory remain poor, reflecting demographic pressures, economic stagnation and barriers imposed in connection with the occupation. Across the four quarters of 2017, unemployment rose by 0.4 per cent, 2.1 per cent and 0.8 per cent, and then fell by 1.2 per cent,[80] compared with the same quarters in 2016, peaking at 29.2 per cent in the third quarter. As of the fourth quarter of 2017, the unemployment rate was 19.5 per cent for men, 43 per cent for women and 40.7 per cent for those aged 20–24 years.[81] Unemployment in the West Bank stood at 13.7 per cent, compared with a staggering 42.7 per cent in Gaza. This figure reflects the severe conditions in Gaza and persistent limited opportunities there. Furthermore, workers from Gaza have continued to be prevented from accessing work in Israel since 2007.

84. The poverty rate measured by the national poverty line increased from 26 per cent in 2011 to 29 per cent in 2017 in the Occupied Palestinian Territory. In Gaza, the rate was very high, at 54 per cent.[82]

85. According to the multidimensional child poverty analysis developed by the United Nations Children's Fund (UNICEF), 65.7 per cent of children are counted as deprived with regard to two or more indicators in the Occupied Palestinian Territory, with all children in Gaza deprived with regard to at least two dimensions (see E/ESCWA/EDID/2017/2).

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[76] International Monetary Fund, "West Bank and Gaza: report to the Ad Hoc Liaison Committee" (31 August 2017).

[77] Ibid.

[78] Ibid.

[79] Ibid.

[80] Information based on ESCWA calculations, based on Palestinian Central Bureau of Statistics data.

[81] State of Palestine, Palestinian Central Bureau of Statistics, "Labour force survey results fourth quarter (October–December, 2017) round main results", press release (13 February 2018). Available from www.pcbs.gov.ps/site/512/default.aspx?lang=en&ItemID=3050.

[82] Preliminary data provided by Palestinian Central Bureau of Statistics.

*Food security*

86. Common drivers of food vulnerability in the Occupied Palestinian Territory include restrictions imposed by Israel on the movement of goods and people; a stunted economy that results in a persistently high unemployment rate, especially in the Gaza Strip; restrictions on accessing available natural resources; and the inability of the Palestinian Authority to play a regulatory role in locations outside Areas A and B, which constitute the majority of the Occupied Palestinian Territory.[83] Poor food utilization as a result of the poor quality of water, sanitation and hygiene, limited access to health care and the declining quality of diets also contribute to food insecurity.

87. Approximately 1.6 million Palestinians (31.5 per cent of the population) are considered food insecure. The prevalence is particularly high in the Gaza Strip, with 40 per cent of households found to be food insecure, more than three times the rate in the West Bank (13 per cent).[84] A food security crisis in the Gaza Strip has been averted only by large-scale humanitarian assistance. More than 70 per cent of residents received international aid in 2016, the bulk of which was food assistance. Yet, approximately half of the Palestinian population suffered from more than one micronutrient deficiency.[85]

88. Palestinian refugees have higher levels of severe and moderate food insecurity than non-refugees. Refugee camps have the highest prevalence of food insecurity. Two in every five households (35.9 per cent) in refugee camps were food insecure in 2016.[86] The food insecurity rate for refugees in the West Bank stood at 15.1 per cent, and 41.3 per cent in the Gaza Strip. [87]

89. The population receiving UNRWA food aid increased from approximately 80,000 people in 2000 to more than 993,000 in 2017. Since March 2017, monthly salaries of Palestinian public employees based in Gaza have been cut by between 30 and 40 per cent, forcing additional families to apply for already stretched UNRWA relief services.[88]

90. The prevalence of food insecurity among female-headed households is higher than among male-headed households. In the Gaza Strip, 46 per cent of female-headed households are severely and moderately insecure, while for male headed households the rate stands at 39 per cent. In the West Bank, these figures are 31 per cent and 11 per cent, respectively.[89]

91. The food insecurity level among Bedouins and herding communities in Area C worsened between 2012 and 2016, with the rate increasing to 61 per cent from 55 per cent. The percentage of food secure households dropped from 20 per cent to 6 per cent during the same period.[90]

[83] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 37.

[84] Information received from FAO; and Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 3.

[85] Information received from the World Food Programme (WFP). See also WFP, "Nutrition awareness sessions in Palestine" (November 2016). Available from http://documents.wfp.org/stellent/groups/public/documents/communications/wfp288670.pdf.

[86] Information received from FAO.

[87] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 34; and information received from WFP.

[88] Information received from UNRWA.

[89] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", pp. 34–35; and information received from FAO.

[90] Information received from WFP.

*Education*

92. An estimated 490,145 schoolchildren (of which 249,147 were girls) across the Occupied Palestinian Territory face challenges in accessing quality education in a safe, child-friendly environment.[91]

93. A coercive environment prevails for students in the West Bank, caused by violence and harassment and intimidation by Israeli military and security forces, as well as settlers, including attacks and threats against schools, students and teachers.[92] Families resort to leaving their homes to ensure safe access to education for their children elsewhere.[93]

94. In the first half of 2017, there were incidents reported in which Israeli forces fired tear gas and rubber bullets at students and made incursions onto school grounds. An increased number of attacks on schools was recorded in the first half of 2017 in Area C, the Hebron H2 area and East Jerusalem. In the West Bank, children are often subjected to bag and body searches, and at times harassment and detention, notably as they pass through checkpoints. In particular, in some areas students also faced risks of intimidation and violence from settlers while walking past settlements. Students often must walk up to 10 km to get to and from school, putting their safety at risk. Girls in particular have been reported to face a high risk of school dropout owing to the fear of parents for their safety during the school commute. The lack of accountability for the perpetrators of such violations exacerbates these conditions, and the trend of attacks against education is increasing across the West Bank.[94]

95. In East Jerusalem, nearly 2,000 new classrooms are needed to address the needs of the Palestinian population, according to official Israeli data. Local education is impaired by inadequate infrastructure owing to the discriminatory and restrictive planning and zoning regime and by a lack of qualified teachers and other staff, owing to the difficulty for those living in the West Bank of obtaining a permit to access East Jerusalem. Palestinian children attending schools in East Jerusalem have to study a version of the Palestinian curriculum modified by Israel with the reported aim of censoring "incitement".[95]

96. Forty-four Palestinian schools (36 in Area C and 8 in East Jerusalem) serving about 5,000 children are at risk of demolition or seizure because of a lack of Israeli building permits.[96]

97. In the Gaza Strip, two thirds of schools currently operate on double or triple shifts in order to accommodate the number of students. Consequently, the number of learning hours per school day has been reduced to 4.5 (compared with 5.5 in the West Bank).[97]

98. Owing to funding shortfalls and a lack of suitable land to build schools, UNRWA reports that 70.2 per cent of its schools, and their 271,000 students, continue to operate on a double-shift basis, which deprives refugee children of opportunities to engage in the recreational and creative pursuits enjoyed by students of single-shift schools.[98]

[91] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 38.
[92] Information received from UNICEF; and Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 39.
[93] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 39.
[94] Ibid., pp. 38–39.
[95] Information received from UNICEF.
[96] Office for the Coordination of Humanitarian Affairs, "Humanitarian bulletin: Occupied Palestinian Territory" (February 2018).
[97] Information received from UNICEF.
[98] Information received from UNRWA.

99. The unprecedented financial shortfall of UNRWA could have a severe impact on its ability to deliver primary education and schooling services to Palestine refugee students in the Occupied Palestinian Territory. Shrinking funding also limits the capacity of the United Nations Educational, Scientific and Cultural Organization (UNESCO) to support quality education in Gaza.[99]

*Public health*

100. The closure in Gaza coupled with intra-Palestinian division continues to present major challenges to the availability and quality of health care in the Gaza Strip, and to access to health care for patients and health workers residing outside Gaza. Living conditions in Gaza, especially overcrowded and substandard housing, further heighten public health risks associated with the deteriorating water, sanitation and hygiene conditions. The situation is particularly precarious for refugees in camps where the average population density is nearly 40,000 persons per $km^2$.[100] Nearly 300,000 Palestinian children in Gaza require some form of mental health support or psychosocial intervention.[101]

101. Shortages of medical supplies, machines, drugs and disposables owing to funding shortages, as well as a lack of staff, place 10,000 newborns at risk and contribute to the stagnant 14 per 1,000 neonatal mortality rate. An estimated 140,000 children under the age of 5 in Gaza are suffering from chronic malnutrition and stunting.[102]

102. The energy crisis in Gaza has undermined basic services and compounded serious public health concerns. Hospitals have had to postpone surgeries, discharge patients prematurely and reduce the cleaning of medical facilities.[103] The Beit Hanoun hospital, which normally serves more than 300,000 people in northern Gaza, halted medical services at the end of January 2018 because of a lack of fuel reserves.[96]

103. During 2017, a monthly average of 38 per cent of items on the list of essential medicines and 31 per cent of items of the list of essential medical disposables were reported to be at less than a month's supply in Gaza. Lack of facilities for essential treatments and of adequate investigation technologies drive a reliance on medical referral outside Gaza, especially for oncology. Patients referred out of Gaza are dependent on access via the Erez crossing to facilities in East Jerusalem (53 per cent), Israel (22 per cent) and the West Bank (17 per cent).[104]

104. Health workers are eligible to apply for permits to enter and leave Gaza. In practice, staff face substantial access barriers; and only 61 per cent of those applying for permits to exit or enter Gaza for humanitarian purposes through WHO obtained access in 2017.[105]

105. The fragmentation of the West Bank undermines the right of Palestinians to health. Over 260,000 Palestinians living in Area C, the Hebron H2 area and the seam zone are dependent on humanitarian health care, including approximately 64,000 women of reproductive age, more than 34,000 children under the age of 5 and more

[99] Information received from UNESCO.
[100] Information received from UNRWA.
[101] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 7.
[102] Ibid., p. 31.
[103] Information received from UNICEF.
[104] Information received from WHO.
[105] Ibid., citing its monthly report on referral of patients from the Gaza Strip for December 2017, available from www.emro.who.int/pse/publications-who/monthly-referral-reports.html.

than 85,000 children aged 5–19 years. Other vulnerable groups include disabled and elderly people.[106]

106. Approximately 17 per cent of Palestinians in Area C are served by mobile clinics,[107] whose services are affected by road closures and adverse weather events. About 12 per cent of residents in Area C live in communities situated more than 30 km from a primary health-care clinic and without access to any mobile health clinic.[108]

107. About 30 per cent of refugees living in West Bank camps, where the average population density is around 40,000 persons per $km^2$, but can reach 130,000-180,000 per $km^2$ in some camps, face health risks as a result of severe overcrowding and inadequate sewage and water networks.[109]

108. West Bank health facilities also face shortages of medical supplies, notably as a result of funding shortages, with an average of 23 per cent of essential medicines and 19 per cent of essential medical disposables out of stock in West Bank central drug facilities in 2017.[110]

109. Areas of East Jerusalem beyond the "barrier" suffer in view of the unwillingness of Israeli ambulances to service them without police escort, citing security incidents, while Palestinian ambulances are not allowed to cross the "barrier" (see A/HRC/37/43, para. 58). There are pockets of acutely vulnerable communities in East Jerusalem, with approximately 119,000 people suffering from mental health conditions and a lack of essential health and emergency care.[111]

110. A recently published study by the United Nations Population Fund (UNFPA), in cooperation with the Palestinian Ministry of Health, found that around 60 per cent (643 women) of the breast cancer patients who died in 2016 died prematurely owing to various factors, including delayed diagnosis and treatment in the Occupied Palestinian Territory. The study found that in such cases restrictions on access to the West Bank and Israel were a major factor for Palestinian patients, including patients in Gaza.[112]

## III. Occupied Syrian Golan

111. In its resolution 497 (1981), the Security Council decided that the Israeli decision to impose its laws, jurisdiction and administration on the occupied Syrian Golan was null and void and without international legal effect, and demanded that Israel, the occupying Power, should rescind forthwith its decision. It determined that all the provisions of the Fourth Geneva Convention continued to apply to the Syrian territory occupied by Israel since June 1967.

112. An estimated 23,000 Israeli settlers live in 34 illegal settlements in the occupied Syrian Golan. The Government of Israel supports settlement activity through financial incentives (see A/72/564, para. 60). According to the Syrian Arab Republic, 150 Israeli families settle in the Golan each year (see A/HRC/37/40, para. 11), as part of

[106] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 32, based on its health cluster data for 2017 and Vulnerability Profile of Palestinian Communities in Area C project.

[107] See https://public.tableau.com/profile/ocha.opt#!/vizhome/Health-VPP/Dashhealth; and information received from WHO.

[108] Information received from WHO.

[109] Information received from UNRWA.

[110] Information received from WHO.

[111] Office for the Coordination of Humanitarian Affairs, "2018 humanitarian needs overview", p. 30.

[112] UNFPA, *Pathway to Survival: The Story of Breast Cancer in Palestine* (January 2018), available from http://palestine.unfpa.org/sites/default/files/pub-pdf/Breast%20Cancer%20Report%20Final_0.pdf.

attempts to foster the overall integration of the occupied Syrian Golan into Israel and delink it from the Syrian Arab Republic.[113]

113. An estimated 25,000 Syrians reside in five villages and face significant challenges in terms of growth and development, owing in part to restricted access to land and resources (see A/72/564, para. 60). The majority of the native Syrian population reportedly reject Israeli citizenship, hold a form of permanent residency and are considered by the Israeli authorities as having an "undefined" nationality. They are provided with only an Israeli "laissez-passer" if they wish to travel.[114]

114. Permanent residents can apply for full Israeli citizenship but they can also have their permanent residency status revoked following travel and residency abroad for study or work. Around 100 Syrian residents of the occupied Syrian Golan have had their permanent residency status revoked since 1982.[115]

115. Israeli settlers and the army control 95 per cent of the land in the occupied Syrian Golan, leaving only 5 per cent to the Syrian population.[116] The Syrian Arab Republic has reported confiscation by Israel of approximately 28 per cent of the agricultural lands (see A/HRC/37/40, para. 17).

116. Syrians in the occupied Syrian Golan face land, housing and development policies established by the Israeli authorities that render it nearly impossible for them to obtain building permits, resulting in overcrowded Syrian villages with strained infrastructure and limited resources (see A/72/564, para. 61). These conditions reportedly force Syrians to build homes without building permits and place them at risk of full or partial demolition and large fines ($55-$85 per $m^2$).[117]

117. The Syrian Arab Republic reports that Israeli authorities impose disproportionately high taxes on Syrians for requests for utility services (see A/HRC/37/40, para. 14). Furthermore, obstacles to construction hinder the ability of Syrian citizens to benefit from tourism.[118]

118. Israeli settlers also benefit from a disproportionately larger allocation of natural resources, such as clean water (see A/72/564, para. 60; see also A/HRC/28/44, para. 54; and A/HRC/31/43, para. 64).

119. Discriminatory water allocation policies exacerbate the challenges faced by Syrian farmers, including competition from Israeli settlers.[119] Access to the water supply is limited for Syrian farmers owing to the Israeli prohibition on building new wells. Half of the water needed for farming therefore has to be purchased from the Israeli water company.[113]

120. Syrians tend to avoid abandoning agriculture, as there is reportedly a risk that the authorities would confiscate their unused land.[120] Furthermore, according to the Syrian Arab Republic, Israeli authorities restrict Syrian usage of land for farming to 45,000 acres of land, while Israeli settlers are allowed to utilize 350,000 acres of land.

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[113] International Labour Office, *The Situation of Workers of the Occupied Arab Territories* (Geneva, 2017), paras. 121–127.

[114] Al-Marsad, the Arab Centre for Human Rights in the Golan Heights, "Human rights violations committed by the State of Israel in the Occupied Syrian Golan", submission to the United Nations universal periodic review of Israel, June 2017, para. 21.

[115] Ibid., para. 22.

[116] Al-Marsad, the Arab Centre for Human Rights in the Golan Heights, "50 years of the occupation of the Syrian Golan", press release (8 June 2017).

[117] Al-Marsad, the Arab Centre for Human Rights in the Golan Heights, "Human rights violations committed by the State of Israel in the Occupied Syrian Golan", para. 7.

[118] Information received from the International Labour Organization (ILO).

[119] Information received from ILO.

[120] Ibid.

The Syrian Arab Republic further stated that the right of Syrians to work was restricted in the occupied Syrian Golan (see A/HRC/34/37, para. 24).

121. Israeli efforts to clear mines are reported to prioritize areas around Israeli settlements and agricultural land over Syrian residential and agricultural zones, despite the concentration of landmines in the latter.[121]

122. In July 2017, the Ministry of the Interior of Israel announced that, for the first time since 1967, elections would be held on 30 October 2018 in four towns: Buq'ata, Mas'adah, Majdal Shams and Ayn Quniyah.[122]

## IV. Conclusion

123. The 51-year Israeli occupation has had a detrimental effect on the social and economic development of the people in the Occupied Palestinian Territory and the occupied Syrian Golan. The impact of the prolonged occupation and the policies and practices of Israel on the Palestinian people, society and economy is multilayered and has accumulated negative effects over the years. The funding crisis that UNRWA is facing is another factor that only exacerbates the conditions of hundreds of thousands of Palestinians who already live in harsh conditions.

124. A number of Israeli practices and measures in the Occupied Palestinian Territory and the occupied Syrian Golan are contrary to the relevant Security Council resolutions, international humanitarian law and international human rights law. Some of them may be considered discriminatory. Certain practices may amount to forcible transfer of protected persons, which could amount to a grave breach of the Fourth Geneva Convention, and others could amount to collective punishment.

125. Adherence to international law is an absolute imperative, ensuring that no party enjoys impunity and securing justice and peace for all those living in the region, including those Palestinians and Syrians living under occupation.

126. Humanitarian and development efforts are key to alleviating the suffering of the Palestinians and Syrians under occupation. Nevertheless, cycles of violence will not end until the roots of such violence are addressed. The United Nations maintains its long-standing position that a lasting and comprehensive peace can be achieved only through a negotiated two-State solution. The Secretary-General will continue to work towards the attainment of this just and lasting peace. It is only by realizing the vision of two States living side-by-side in peace, security and mutual recognition, with Jerusalem as the capital of Israel and Palestine, and all final status issues resolved permanently through negotiations, that the legitimate aspirations of both peoples will be achieved.

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[121] Al-Marsad, the Arab Centre for Human Rights in the Golan Heights, "Human rights violations committed by the State of Israel in the Occupied Syrian Golan", para. 13.

[122] Noa Shpigel, "In first since 1967, Druze villages in Israeli Golan Heights to hold democratic elections", *Haaretz*, 8 July 2017. Available from www.haaretz.com/israel-news/.premium-in-first-since-1967-israeli-druze-to-hold-democratic-elections-1.5492306.

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# Implementation of integrated, coherent and coordinated support to South Sudan by the United Nations system

**Report of the Secretary-General***

## I. Introduction

1. Following the independence of South Sudan on 9 July 2011, the Economic and Social Council, through its resolution 2011/43, expressed interest in working with partners in addressing the extensive humanitarian, peacebuilding and development challenges facing the country. The present report is the seventh on South Sudan submitted to the Council since the country's independence.

2. The first report (E/2012/76) outlined the support of the United Nations system for the Government of South Sudan and the building of local capacity after the country's independence. The second report (E/2013/73) described the support provided to development and peacebuilding frameworks. The third report (E/2014/94) depicted how the outbreak of conflict in December 2013 reversed much of the progress made since independence. The fourth report (E/2015/74) provided a focus on the continuing impact of the conflict. The fifth report (E/2016/71) emphasized efforts to support the implementation of the Agreement on the Resolution of the Conflict in the Republic of South Sudan (Peace Agreement) and a shift from emergency humanitarian aid towards long-term development priorities. The sixth report (E/2017/68) focused on the developments after the crisis in July 2016, which were characterized by continued instability, local fighting, further deterioration of the humanitarian situation, erosion of social cohesion, deepening economic crisis and a shift back from development priorities to emergency humanitarian aid.

3. The present report outlines the major developments that have occurred since the previous report to the Council. On 12 June 2017, the leaders of the Intergovernmental Authority on Development (IGAD), the regional organization comprising Djibouti, Ethiopia, Kenya, Somalia, South Sudan, the Sudan and Uganda, endorsed the creation of the High-level Revitalization Forum to revitalize the defunct Peace Agreement with a threefold mandate: to restore a permanent ceasefire; to fully implement the

* The present report was submitted late in order to reflect the latest developments and analysis by the United Nations country team on the situation in South Sudan.

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Agreement; and to revise the Agreement's implementation schedule to hold elections at the conclusion of its timetable. At the Forum, on 21 December 2017, the conflicting parties signed the Agreement on Cessation of Hostilities, Protection of Civilians and Humanitarian Access, thereby committing themselves to ceasing all hostilities as a first step to ending the war in South Sudan and revitalizing the implementation of the Peace Agreement.

4. At the end of the previous reporting period, in early 2017, South Sudan experienced localized famine in some areas of the country. In the second half of 2017, its political, economic and social crises continued to worsen and required a massive and growing humanitarian operation to provide life-saving assistance, prevent food insecurity and famine, provide access to basic services and support displaced people. At the end of the current reporting period, South Sudan is experiencing its worst ever food crisis and the highest number ever of people depending on humanitarian support to meet basic needs.

5. At the same time, there have been renewed efforts to strengthen support for recovery and resilience, to address underlying drivers and risk factors and to enable the South Sudanese to gain access to food, livelihoods and social services, such as health, nutrition, education and water and sanitation, within their own communities rather than from humanitarian aid. This is accompanied by and linked to a growing focus on supporting local peacebuilding in different parts of the country to mitigate increasingly localized conflicts. The Government has also finalized the three-year National Development Strategy, which seeks to consolidate peace and stabilize the economy, as well as improve access to basic services. Informed by fragility assessment, the Strategy provides strategic guidance for government efforts to escape from the current crisis. The third phase of the High-level Revitalization Forum had been scheduled to be held at the end of the reporting period but was postponed, and the outlook for success is uncertain. The government-led national dialogue is approaching its concluding phase. Through that process, an effort has been made to ensure that a variety of voices are heard, including South Sudanese refugees and the diaspora in neighbouring countries, on the future direction of the country, although concerns about its inclusivity continue to be expressed. The results from the national dialogue and the third High-level Revitalization Forum conference will influence the situation in the months to follow and will set the tone for the start of the implementation of the National Development Strategy, set for July 2018.

## II. Context

6. Despite the revitalization of the Peace Agreement through the High-level Revitalization Forum and the new hope for progress that it brought, the situation has continued to deteriorate, and the international community faces serious challenges in its efforts to shift back from emergency humanitarian aid and the protection of civilians towards development priorities. A key factor having a strong impact on the situation is the continued fighting and violence in many parts of the country that have become increasingly fragmented and localized during the reporting period. Such violence prevents access by humanitarian and development actors and the formation of long-term partnerships required for capacity-building and recovery and causes an ongoing deterioration in access to food, livelihoods and services by the population. The farming areas in the southern part of the country have traditionally been the main producers of the country's cereal. The displacement of millions of people is at the heart of the current food insecurity situation, among other drivers. Many farmers from that area have fled and are currently refugees outside the country, and are prevented from returning home by ongoing local conflicts and violence. Consequently, the conflict and food security are directly interlinked with each other and affecting other

vital areas, including the wider economic situation. The current fragile government structures, lack of effective local governments in many parts of the country, perforated social fabric, lack of respect for the rule of law and human rights, and high level of violence, including sexual and gender-based violence, in society have continued to prevent an improvement in conditions.

7. The humanitarian crisis in South Sudan deepened during the reporting period as a result of the cumulative effects of protracted conflict, displacement and economic decline. A rise in hunger portrays the clearest picture of the deteriorating humanitarian situation. While the localized famine in Unity State was stopped by mid-2017, a record high 6 million people were severely food-insecure in September 2017 and the underlying reasons for hunger remained unaddressed. In January 2018, some 5.3 million people, or 48 per cent of the population, faced severe food insecurity, 1.5 million more people compared with the same time in 2017. By the end of the reporting period in April 2018, some 7 million people, or nearly two thirds of the population of South Sudan, are projected to be at risk of hunger in the coming months without sustained humanitarian assistance and access. This would represent 57 per cent of the population and 1.4 million more people compared with the same time in 2017.

8. Malnutrition has reached an unprecedented level. More than 1.1 million children under the age of 5 are forecast to be malnourished in 2018, including nearly 300,000 severely malnourished and at a heightened risk of death. This makes 2018 the toughest year on record. Children, youth and pregnant or lactating women, in particular adolescents, in conflict-affected areas remain especially vulnerable to malnutrition. Micronutrient deficiencies, notably vitamin A, iron and iodine deficiencies, are common among children, young people and women.

9. Ongoing fighting and insecurity continued to force people to leave their homes in search of safety and assistance. More than 668,000 people fled the country in 2017, including some 355,000 to Uganda. Some 19,000 new South Sudanese refugees were registered in January 2018, and the Office of the United Nations High Commissioner for Refugees anticipates that up to 500,000 refugees will have left the country by the end of the year. The region currently hosts more than 2.5 million South Sudanese refugees, and the conflict has created the third largest refugee crisis in the world, after the Syrian Arab Republic and Afghanistan. Some 1.8 million people remained internally displaced as at February 2018, including more than 200,000 people sheltering in the protection of civilians sites located on the bases of the United Nations Mission in South Sudan (UNMISS). Many internally displaced persons are forced to flee their homes multiple times, increasing their vulnerability and protection needs. As at February 2018, South Sudan hosted some 290,000 refugees from neighbouring countries.

10. Protection threats continued to intensify in scale and scope, with increasing numbers of areas newly affected by conflict and instability. The population remained exposed to repeated deliberate attacks on civilians and their assets and to other violations of international humanitarian and human rights law, including conflict-related sexual violence and killings.

11. Destruction of health-care facilities, attacks on health workers and shortages of drugs and skilled professionals reduced people's access to health care. Preventable diseases, such as measles, spread unchecked, and the cholera outbreak that started in mid-2016 continued to claim lives throughout most of 2017. With only 22 per cent of health facilities fully operational, the absence of services meant that cases of emergency obstetric care, unmet need for family planning, tuberculosis, HIV/AIDS, clinical management of rape and mental health issues went largely untreated.

12. The situation for children deteriorated over the reporting period, with continued recruitment, abuse, exploitation and separation from families. An estimated 17,000

children continue to serve in the ranks of armed forces and groups. The destruction of schools and departure of teachers from many affected areas had a severe impact on access to education. By early 2018, three quarters of South Sudanese children were out of school — more than ever. The under-5 mortality rate was estimated at 91 per 1,000 live births in 2016, with 41 per cent of deaths among newborns, and the situation has since deteriorated. Routine immunization coverage declined from 80 per cent in 2011 to 75 per cent for measles and 58 per cent for polio and pentavalent-3 in 2017. Each week in South Sudan, malaria kills nearly 220 people, most of them children under age 5. Deaths from vaccine-preventable diseases, such as measles and meningitis, are increasing. There are 138,586 AIDS-related orphans and 11,993 children under the age of 15 living with HIV.

13. The current economic situation in South Sudan remains challenging. Global oil prices have improved in the past few months, and the price of Brent crude reached $70 per barrel in January 2018. However, the increase has not significantly improved government revenue inflows. This is mainly because oil production levels have remained low at 120,000 barrels per day, which is a third of the level in 2010, just before independence, and because of continuing payment obligations to the Sudan and payment of past arrears. This has severely constrained the fiscal space, including the ability to pay salaries on time. In addition, the national currency, the South Sudanese pound, has continued to depreciate against the United States dollar, with the market rate about 250 pounds to $1, a drop of 58 per cent in one year. This has in part translated into increasing prices of essential commodities, including food. January 2018 became the twenty-sixth month of year-to-year triple digit inflation, at 125 per cent.

14. The recently finalized three-year National Development Strategy highlights that stabilizing the economy and consolidating peace are the main priorities of the Government. The expectation is that, after three years, citizens will feel safe to go about their business, will experience stability in prices, including the foreign exchange rate, and will receive better public services. Owing to fiscal space constraints, such changes can be delivered only through a strong partnership with the domestic and international private sector players, civil society, bilateral and multilateral partners and, above all, the people of South Sudan.

15. In May 2017, the World Bank renewed its engagement in South Sudan and launched a new country engagement note for the 2018–2019 fiscal years, with a budget of $410 million. It will focus on resilience strengthening as a short-term objective and on recovery and sustaining peace as medium-term objectives. International financial institutions, such as the International Monetary Fund and the African Development Bank, remain engaged in the country, albeit at a limited scale. As is the case for the World Bank, the eventual expansion of their support in the future will depend on the outcomes of the High-level Revitalization Forum and the broader peace process.

## III. Impact of the conflict on development

16. During the reporting period, it became a more urgent challenge for the international community to strike a balance between meeting humanitarian life-saving needs and revitalizing long-term development priorities through a focus on recovery and resilience and building peace through a bottom-up process. That challenge emerged as a result of the cumulative consequences of the ongoing conflict on the humanitarian and economic situation, with growing humanitarian needs, and the lack of progress politically and continued conflict and violence. The economy contracted significantly in both 2016 and 2017, and government budgets for the

delivery of essential social services have been negligible and even further reduced owing to the lack of government funding and to government priorities related to the conflict. In the 2017/18 fiscal year, allocations to the security and public administration sectors amounted to nearly two thirds of the government budget, which marked a significant increase from the previous year, when those combined allocations amounted to half of the budget. In contrast, allocations to the social sectors consumed only 5 per cent of the budget.

17. The conflict has also further challenged the work of humanitarian organizations in delivering aid and interfered directly with United Nations operations. Humanitarian actors took major risks in reaching people in need amid clashes, insecurity and access denials. The year 2017 was the deadliest reported since the conflict broke out in December 2013. During the year, 30 aid workers were killed in the line of duty, 28 of them South Sudanese nationals, and some 600 humanitarians were relocated owing to insecurity. Humanitarian compounds and supplies were frequently looted, depriving people of much-needed assistance. Humanitarian operations were also affected by denial of access to field locations for aid workers; extortion at checkpoints; visits by the Criminal Investigation Department to organizational premises; and efforts by authorities to unduly influence staff recruitment processes. Taxes and fees imposed by the host Government remained unpredictable, high in relation to services provided and inconsistently administered, and diverted much-needed resources from front-line operations.

## IV. United Nations support to South Sudan

18. Despite the challenges, the United Nations and its partners made significant strides during the reporting period. Humanitarian, development and peacebuilding actors worked together and achieved results through integrated approaches, in particular at the local level in areas with relative stability. The famine in Unity State, declared in early 2017, was halted and prevented from spreading by midyear, thanks to the generous donor response and to a well-coordinated response across the food and livelihoods, nutrition, health and water, sanitation and hygiene clusters in cooperation with development partners. The longest cholera outbreak ever recorded in South Sudan was finally declared over in February 2018, as a result of a range of partners working together to enhance surveillance, deploy rapid response teams to investigate and respond to cases, provide clean water, promote good hygiene practices and treat cholera patients.

19. Combined humanitarian and development support for essential services in accessible and relatively stable areas improved the delivery of antenatal care, newborn immunization and treatment of acute malnutrition for children under 5, as well as malaria prevention and treatment. Classroom blocks were constructed and water, sanitation and hygiene facilities and kitchens and vegetable gardens in connection with schools were established, contributing to increased school enrolment. Training of community animal health workers and village extension facilitators was conducted, agricultural productivity increased, and access to and supply of national markets for food products improved. In accessible communities, where the United Nations was able to provide support, United Nations agencies reported that vulnerable groups were better able to cope with shocks as measured by the reduced coping strategy index and asset-based coping strategy index in the targeted communities. The food consumption score was stable or improved in targeted communities. Farmers' cooperatives improved their productivity through the introduction of seed varieties and extension services. Furthermore, the United Nations supported the Government in developing guidelines for mainstreaming disaster risk reduction into national sustainable development plans and finalizing the draft national disaster risk

management policy. The Ministry of Humanitarian Affairs and Disaster Management was supported in kick-starting the implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030.

20. The humanitarian operation reached some 90 per cent of the people targeted in 2017. Over 5.1 million people received food assistance and emergency livelihood support. More than 2.5 million people received emergency health kits, 1.7 million people, including women and girls, received reproductive health information and services, and some 900,000 children and pregnant and breastfeeding women received emergency nutritional assistance. Over 9,000 additional women and girls started using modern family planning services, while 14,443 received skilled delivery at birth and 134 obstetric fistula survivors were treated. More than 2.2 million people benefited from water and sanitation programming; nearly 900,000 people were provided with vital emergency items, including blankets and mosquito nets; more than 390,000 children benefited from educational programming; and more than 94,000 children were vaccinated against measles. Over 560,000 people received services addressing gender-based violence. Approximately 35,000 explosive hazards were destroyed, far beyond the 15,000 set as the target for the year. This contributed directly to resilience-strengthening programmes, whereby communities could re-engage in their local livelihoods.

21. Throughout the response, the aid agencies and their partners continued to improve efficiencies while keeping affected people at the centre. For example, partners reached more than 1.3 million people in need through cash transfers and cash-based programmes in 2017, primarily under the food security and livelihoods cluster, as well as the shelter and non-food items cluster. In 2018, the Humanitarian Response Plan is targeting 6 million people. By February 2018, 1.4 million people had already been reached. It is evident that humanitarian needs will remain dire until guns are silenced and development can take root. More emphasis on resilience and peacebuilding, especially at the local level, continues to be an urgent joint priority for humanitarian, development and peacebuilding actors.

22. Despite the crisis context, in 2017 United Nations agencies improved implementation performance with regard to the Interim Cooperation Framework across the range of recovery, resilience and peacebuilding activities and programmes. Support was provided to strengthen food security and the local economies, basic services, including education, health and water, sanitation and hygiene, and peace and governance and empowerment of women and youth processes; the deployment and pairing of South Sudanese civil servants with counterparts from IGAD member States was conducted; and capacity-building was provided to strengthen local peace committees. The capacity of existing cooperatives was also strengthened and new cooperatives were established to reinvigorate the local economies. Access to microfinance and lending services was provided to more than 1,000 women. The National Capacity Self-Assessment for the management of natural resources was finalized, and the National Biodiversity Strategy and Action Plan was developed.

23. The annual results and financial report on the implementation of the Interim Cooperation Framework for 2016, released in July 2017, was the first such report by the United Nations in South Sudan and demonstrates its commitment to a high level of transparency and accountability. A similar report for 2017 is currently being completed and shows continued improvements in delivery and results after the violent crisis in Juba in July 2016. While only one out of five Framework outcomes were on track in 2016, three out of five were on track at the end of 2017, with the most difficulties remaining in areas directly linked to the stalled peace process.

24. The improved performance in 2017 was due in part to adjustments to activity portfolios and new operational working arrangements. Agencies reduced the scale of

their workplans in many areas with difficult access and focused on those activities for which funding and capacity were in place and those in more stable geographic areas. They enhanced community-level engagement and work with local authorities, developed joint programmes or engaged in joint programming that leveraged agencies' capacity and reach to support joint outcomes, and enhanced programme flexibility to adapt to higher operational risk levels. The overall programme delivery under the Interim Cooperation Framework increased from $119 million in 2016 to $160 million in 2017. Joint programming advanced in 2017 with several new flagship programmes being launched, in some cases cutting across outcome areas. The joint recovery and stabilization programme in Aweil and the new joint programme being developed in Yambio contain key elements in support of several outcomes under the Framework. The new programme on dialogue and reconciliation, with financing from the Peacebuilding Fund, supports the outcome on peace and governance, while the gender-based violence prevention programme has brought a number of agencies together under the outcome on women and youth.

25. In late 2017, with support from the United Nations that emphasized the protection of culture in conflict, three cultural and natural sites within South Sudan were included in the tentative list of World Heritage Sites, namely the Boma-Badingilo migratory landscape, the Sudd wetland and the Deim Zubeir slave route, in line with Security Council resolution 2347 (2017).

## V. Prospects and recommendations

26. During the reporting period, the United Nations country team supported the Government in preparing a basis for implementing the Sustainable Development Goals through support for analytical work and policy dialogue that will enable coordinated, focused and sequenced efforts to support progress towards key Goals, given the overall context. That work was also informed by the provisions of the national action plan for the implementation of Security Council resolution 1325 (2000) on women and peace and security. In November 2017, a draft inaugural report on the Sustainable Development Goals for South Sudan was completed, based on consultations with a range of stakeholders, including a national workshop and consultations among university students and other stakeholder groups. The report reviews the available evidence and provides detailed recommendations that are reflected in the National Development Strategy, including specific targets and indicators aligned with the 2030 Agenda for Sustainable Development. Through that process, Goal 16, on peace, justice and strong institutions, was identified as the most important Goal in South Sudan, one that would also function as an enabler of progress in other areas of the Goals, for example food security and hunger (Goal 2), which was identified as the second most important priority Goal. In the light of the famine and extreme food insecurity, ending hunger is widely seen as a crucial priority directly linked to the paramount need for ending violence and conflict. Food insecurity is a direct effect of the conflict and displacement; at the same time, it becomes a cause of conflict when the livelihoods of vulnerable communities are threatened and destroyed and trust and social cohesion are undermined. Goals with a high priority based on the report and the consultation process were Goals 4 (quality education) and 8 (inclusive economic growth and decent employment for all). Gender equality (Goal 5) was also highlighted in the report as one with a cross-cutting enabling impact across the Goals. The lack of data and statistics related to the Goals is a major challenge, and there is a need for targeted capacity-building of national partners in this area and for United Nations agencies and their international partners to continue and expand their efforts to conduct national surveys and collect relevant statistical information, for instance related to food security, malnutrition and resilience.

27. Peace and reconciliation require dialogue at all levels, and the high level of violence in the society and the limited freedom of expression show the urgent need for dialogue, as well as the challenges in conducting it. A number of initiatives were launched in the reporting period and are expected to advance and scale up in 2018. As part of the new Peacebuilding Fund joint programme on reconciliation and dialogue, a peacebuilding plan is being developed at the end of the reporting period to identify priorities and opportunities for peacebuilding support. The draft peacebuilding plan highlights that the current degree of trust among groups is low and grievances caused by past violations are strong. The draft plan therefore emphasizes the need for initiatives to build trust within society in the short term, while at the same time finding entry points for sustaining peace in the longer term.

28. In 2017, preparations began for a new United Nations cooperation framework for the period from 2019 to 2021. The new framework will build on the experiences with the Interim Cooperation Framework and lessons learned and will enhance and scale up the current resilience-based approach to programming across sectors, with a strong focus on recovery and peacebuilding. It will seek to expand the current focus on local areas that are relatively stable, with opportunities to scale up support for strengthening resilience, institutions and capacities in a coherent way in close cooperation with international and local partners. It will be based on the Sustainable Development Goals and focus on vulnerable groups and leave no one behind, including women and youth. Under the framework, stronger partnerships will be developed with civil society and funding from new sources, including global pooled funds and country-based funding mechanisms, will be sought. It is projected that total programme delivery under the United Nations cooperation framework will be $650 million, a 50 per cent increase over the Interim Cooperation Framework. The United Nations cooperation framework, which is based on consultations with the Government, donors and other partners, reached the finalization stage at the end of the reporting period.

29. The United Nations cooperation framework will implement a new way of working to ensure stronger synergies between humanitarian and development actors, including United Nations agencies and their partner non-governmental organizations, through agreement on collective outcomes. The draft framework suggests that food security and the prevention of gender-based violence could be two potential areas for applying a new way of working. The United Nations country team will also further strengthen cooperation with UNMISS, through joint programmes and other joint activities, and with other actors with political, security and peacebuilding mandates.

30. In March 2018, a high-level discussion was held with over 50 partners and donors in Juba, in which the participants took stock of current challenges and issues and discussed how to address vulnerabilities and improve joint work. The discussion concluded with a shared commitment to increasing support for resilience jointly through strategic and enhanced efforts to advance coordination, collaboration, co-location and commitment, with a road map to be developed and mapping of a geographical focus area to be conducted. Steps have already been taken in the current reporting period, and joint efforts on resilience-strengthening capacities have emerged in Aweil and Yambio and could become models to replicate though a flexible approach. Those initiatives will show how strategic integration can deliver more effective and efficient programming through a comprehensive approach that brings together collective efforts to address local political solutions and peacebuilding, development, humanitarian, security and environmental dimensions. They will build on the opportunities for strengthening local ownership of peace and development, where possible. At the end of the reporting period, experiences from Aweil demonstrated the potential of efficient and sustainable approaches towards finding a balance between humanitarian emergency aid on the one hand and long-term peace

and development priorities on the other, with a potential shift in focus from meeting needs to reducing needs, risks and vulnerability. A solution to the severe challenges faced by South Sudan will, first and foremost, require a fundamental shift towards peace, and United Nations agencies and their partners have shown the potential for promoting such a shift through an increased focus on delivering effective and integrated support in local areas that are relatively stable and with ownership and the willingness to address issues among local partners.

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## Discussions held during the twenty-first session of the Commission on Science and Technology for Development on the theme of the 2018 session of the Economic and Social Council, "From global to local: supporting sustainable and resilient societies in urban and rural communities"

### Note by the Secretary-General

The Economic and Social Council has selected "From global to local: supporting sustainable and resilient societies in urban and rural communities" as the theme of its 2018 session.

The present note serves as a contribution from the Commission on Science and Technology for Development on that theme. It provides a summary by the Chair of the discussions held during the twenty-first session of the Commission, held in Geneva from 14 to 18 May 2018.

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# Summary by the Chair of the discussions held during the twenty-first session of the Commission on Science and Technology for Development on the theme of the 2018 session of the Economic and Social Council, "From global to local: supporting sustainable and resilient societies in urban and rural communities"

1. The Commission on Science and Technology for Development held its twenty-first session in Geneva from 14 to 18 May 2018. On 15 and 16 May, the Commission considered two priority themes: "Building digital competencies to benefit from existing and emerging technologies with a special focus on gender and youth dimensions" and "The role of science, technology and innovation in increasing substantially the share of renewable energy by 2030". On 14 May, the Commission convened two high-level round tables, one each on the following themes: "The role of science, technology and innovation in supporting sustainable and resilient societies" and "Impact of rapid technological change on the achievement of the Sustainable Development Goals". The Commission decided to submit the summary of the deliberations held during its twenty-first session to the Economic and Social Council as a substantive contribution for consideration during the high-level segment of the Council, to be held in July.

2. The Commission examined critical issues related to the contribution of science, technology and innovation to/in the context of inclusive and sustainable development. Participants highlighted that recent technological advances, especially those driven by the rapid development of information and communication technologies (ICTs), offered new opportunities for economic prosperity, social inclusion and environmental sustainability, and could help to achieve the Sustainable Development Goals. At the same time, they raised concerns with respect to employment, inequality and ethics. Technological change and innovation should be directed towards inclusive and sustainable outcomes through strategic efforts by Governments in collaboration with civil society, business and academia.

## The role of science, technology and innovation in supporting sustainable and resilient societies

3. Participants highlighted that science, technology and innovation, when adequately harnessed, could contribute to promoting sustainable and resilient societies. Many member States, including Austria, Bolivia (Plurinational State of), Brazil, China, Canada, the Democratic Republic of the Congo, Cuba, the Dominican Republic, Eswatini, Ethiopia, Germany, Ghana, Hungary, India, Iran (Islamic Republic of), Latvia, Lesotho, Malta, Nepal, Oman, Poland, Portugal, the Russian Federation, Saudi Arabia, Sri Lanka, Thailand, Uganda, the United Kingdom of Britain and Northern Ireland, the United States of America and Zambia, shared their experiences related to using science, technology and innovation for providing clean water and sanitation, affordable and clean energy, quality education and promoting digital literacy, promoting sustainable cities and communities, promoting sustainable consumption and production, and protecting biodiversity.

4. Participants noted the importance of building resilience to different types of disasters caused by natural hazards, which had become more frequent. They emphasized the use of information and communications technology (ICT) and spatial technologies for early warning and to map regions at risk using satellite data to determine where priority intervention was necessary. Zambia, for example, had used remote sensing technology to identify deforestation across the country and, as a response, had started a reforestation initiative for planting 1 million trees, including a programme that aimed at the value addition of indigenous trees.

5. Participants also highlighted the need to build resilience against economic shocks and downturns. They emphasized that growing global interdependence had led to more complex, cascading disasters with social, economic and political impacts. In that regard, rapid technological change offered opportunities but also posed challenges, and a better understanding of its effects on society and economies could help to build more resilient communities.

6. In that connection, participants noted that some of the hurdles in building resilient societies included the digital and skills gaps. Participants noted several initiatives to address the gaps. For example, Bolivia (Plurinational State of) had introduced an e-government programme to democratize access to public services and had progressed to making ICT access universal in private and public schools, with access to the latest-generation computers in classrooms. Cuba was implementing a national plan for social and economic development that included as a priority the development by 2030 of a sustainable information and knowledge society that was people-centred. The Dominican Republic had implemented a "digital republic" programme based on the pillars of education supported by technology, jobs and productivity, access to technology and e-government. Lesotho had introduced ICT in early childhood education curricula, as well as technical and vocational education for building resilience, providing the example of a local research centre that developed high-quality, low-cost devices. South Africa had adopted a national development plan to achieve the Goals, with science, technology and innovation at the core of its development agenda, and had stressed the importance of monitoring and evaluating progress towards achieving the Goals. South Africa also indicated that the country was developing a national portal that would collate information on the contributions made towards achieving the Goals. Zambia had introduced a policy to ensure that all schools would have computers available to students, so as to promote early exposure to ICT. It also stated that science would be introduced in the early childhood education curricula and that it had taken steps to mobilize programmes for women in science, including through a gender quota for scholarships.

7. Participants observed the need to facilitate technology transfer to increase the resilience of societies. They stressed the importance of the commercialization of scientific research, of strengthening capabilities with export-oriented trade possibilities and of cooperation through industrial relations. For example, China and South-Asian countries had collaborated on the establishment of the China-South Asia Science Technology Transfer Centre and on setting up national centres and research laboratories for technology transfer and development. The Islamic Development Bank had developed an online platform to connect investors with market opportunities for innovation, angel funds and seed money for innovators, and to foster partnerships between entrepreneurs and researchers.

8. Participants emphasized the importance of international and regional collaboration in sharing experiences and lessons learned to ensure that no one was left behind. They also highlighted that research and the development of science and technology to achieve the Goals required result-oriented global collaboration.

**Impact of rapid technological change on the achievement of the Sustainable Development Goals**

9. Participants recognized that rapid progress in science, technology and innovation could facilitate the transformations required to achieve the Goals. At the same time, rapid technological change was likely to outpace the ability of societies to adapt and manage its social, economic and environmental effects, posing complex challenges for public policy.

10. Participants expressed appreciation for the report of the United Nations Conference on Trade and Development (UNCTAD) entitled *Technology and Innovation Report 2018: Harnessing Frontier Technologies for Sustainable Development*. In the report, UNCTAD called for an international dialogue to develop policy responses to the serious ethical, environmental, economic and social questions raised by frontier technologies. It also identified the Commission on Science and Technology for Development as a key forum for such dialogue.

11. Participants noted that rapid technological change was driven by the cumulative nature of technology development; the accelerated rate of improvement in technologies; the convergence of technologies facilitated by the emergence of digital platforms such as the Internet; and reductions in the cost of technologies and declining entry costs for innovators. The cost reductions allowed for easy access to such technologies, thereby providing a greater number of people the opportunity to exercise their creativity and to innovate.

12. Participants noted that several technologies showed significant potential to facilitate the achievement of the Goals with applications in many areas, including industry, health care, agriculture, forestry, energy, transport and water. Big data analysis could help to address critical global issues, create scientific breakthroughs, advance human health and improve decision-making. The Internet of things allowed connected objects and machines to be monitored and managed. Artificial intelligence, in particular when combined with robotics, could transform production and business, especially in manufacturing. Three-dimensional printing allowed for faster and cheaper low-volume production and the rapid iterative prototyping of new products. Biotechnology enabled gene editing, making personalized treatments and the genetic modification of plants and animals possible, potentially revolutionizing agriculture and the management of epidemics. Nanotechnology was used in water purification, battery storage, the precise management of agrochemicals and in the delivery of medication, among other applications. Renewable energy technologies provided electricity in rural areas far away from grid systems. Self-driving cars could transform the movement of people and the use of space in cities. Drones could revolutionize the delivery of supplies, facilitate and promote the sustainable use, protection and restoration of the terrestrial ecosystem and serve to replace humans in dangerous tasks. Small-scale satellites would soon be affordable for a greater number of developing countries, businesses and universities with potential applications, for example, in efforts to improve agriculture and food security and access to medical services in rural areas.

13. Participants noted that the pace of technological change was faster than that of political decision-making and policy implementation. As the gap widened, serious and multiple questions, which society would have to answer, would continue to arise in matters concerning ethics, governance, equality and equity.

14. Frontier technologies such as artificial intelligence, for example, could eliminate some jobs while creating others. Although the net effect remained uncertain, there was evidence of the polarization of jobs and of the unfavourable impact on women in developed and developing countries. In lower-income countries that had large populations, in particular those facing a youth bulge, the lack of employment opportunities or the displacement of labour could aggravate poverty, leading to marginalization, disparities and conflict. Many developed countries had safety nets, such as unemployment benefits, which developing countries were unable to afford.

15. Participants pointed out that, for most developing countries, the net effects of frontier technologies on employment were likely to depend on the economic feasibility of introducing those technologies in the country's context; the structure of each country's economy; and the existing and potential prospects for trade

specialization. Participants stressed the need to counteract trends that contributed to increasing inequality within and between countries, further hampering the prospects of developing countries to catch up.

16. Participants mentioned that emerging technologies and technological convergence also gave rise to issues regarding the rights of citizens, privacy, data ownership and online security. Artificial intelligence systems and algorithms, for example, could reproduce biases such as gender and racial stereotypes or amplify the discriminations appearing in the data on which those systems were based.

17. Biotechnology combined with big data science produced vast amounts of data in the sequencing process. The data were curated in a decentralized way, and access in clinical medicine had been increasingly regulated, thus raising questions about data ownership. Another concern was the lack of diversity with respect to data sources. The majority of the participants in genome-wide association studies were of European ancestry.

18. Participants encouraged Governments to adopt institutional frameworks and regulatory regimes for data collection, use and access, and for data privacy and security, balancing individual and collective rights and allowing private sector innovation while taking into consideration the potential for the concentration of market power in digital technologies.

19. Participants also noted the need to solve the ethical and safety dilemmas of genetic manipulation and to have better mechanisms for identifying health hazards from emerging technologies, especially since most developing countries did not have the capacity to make comprehensive risk assessments. They also noted the importance of linking traditional knowledge with the new insights gained from modern science, thereby allowing for the owners of such knowledge to reap the benefits of that collaboration, as in the case of traditional medicine.

20. Participants noted that many countries had implemented strategies to harness science, technology and innovation, including to develop and adapt emerging technologies. Angola, for example, had supported economic diversification through science, technology and innovation; increased the number of researchers in science, technology, engineering and mathematics; developed science and technology parks; and established a national system for training methods in science, technology and innovation. Botswana had revised its policy on science, technology and innovation to turn the country into a knowledge-driven society instead of one driven by raw materials. Ghana had placed science, technology and innovation at the centre of its development agenda, under the theme "Ghana beyond aid"; initiated a review of national policy on science, technology and innovation; and established a national advisory council, a national research fund, an innovation and research commercialization centre, a national high-performance computing centre and the Ghana Radio Astronomy Observatory. Pakistan had a long-term vision and strategy for its socioeconomic development, "Vision 2025", and, through its science, technology and innovation policy for 2012, had recognized that investment in human resources and the development of science and technology infrastructure were critical to addressing rapid technological change. Poland had passed new ICT regulation to protect consumer interest, developed infrastructure and services, including fifth generation wireless systems, fostered competition in the ICT sector, promoted a paperless and eco-friendly society and business sector, and developed digital competencies for children and youth. Sri Lanka had engaged in promoting demand-driven research and innovation-focused industry-research links and in creating an enabling environment by supporting financially and technology-oriented entrepreneurship. The 2020 vision of Eswatini provided a road map to encourage the development of science, technology and innovation in the country. The national

strategy of Switzerland, known as "digital Switzerland", included the roll-out of broadband Internet service to reach excluded populations. Zambia had made significant policy changes in science, research and skills development, improving connectivity and promoting incubation centres and innovation hubs.

21. Participants highlighted that international collaboration played an essential role in improving human capacity in emerging technologies by facilitating collaborative research, technology transfer and the dissemination of knowledge on best practices in developing countries. In that regard, participants noted that China and UNCTAD were jointly implementing training workshops involving 40 participants from Commission member States on science, technology and innovation policy and incubator development in order to improve capabilities in science, technology and innovation for the achievement of the Goals. China had also reached out to accomplished young scientists from developing countries and junior professional officers to support the work of the Commission. Participants also noted that the United States of America had encouraged basic research and multi-stakeholder collaboration on science, technology and innovation in the context of the Goals.

22. Participants underscored the need for comprehensive assessment and foresight with regard to the effects of technological change in developed and developing countries. Such exercises should provide an evaluation of new and emerging technologies and identify potential setbacks and challenges while considering technological gaps within and between countries. Participants encouraged the Commission, as the focal point for science technology and innovation within the United Nations system, to conduct analyses and foresight activity with a view to assisting countries in seizing the opportunities afforded by technological change and in confronting the associated challenges.

23. Participants further noted that the Chair of the Commission would present the conclusions of the twenty-first session at the third session of the multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals, which would be held in New York on 5 and 6 June 2018.

**Building digital competencies to benefit from existing and emerging technologies with a particular focus on gender and youth dimensions**

24. Participants noted the mismatch between current education systems and the digital skills that might be required in many of the occupational categories in the coming decades. There was an increasing trend, especially within the population of emerging countries, and in particular among women and youth, to take up informal sector jobs. There was also a growing trend towards the gig economy, with high turnover rates and volatile aggregate pay.

25. Participants described how women and men were affected differently by technological change. Although there was a growing demand in the workforce for people with ICT skills, for example, in many countries women were still very much underrepresented in ICT specialist occupations. The representation of women and girls was also low in fields such as science, technology, engineering and mathematics. In upper secondary education globally only 10 per cent of women graduates held degrees in any of those fields, compared with 60 per cent of male graduates. Only 35 per cent of girls at the higher education level were in those fields, and fewer than 17 per cent of women held computer science degrees. Moreover, female employment in both developed and emerging economies was concentrated in low-growth occupations such as sales or clerical work.

26. One way of assessing the types of digital skills needed for the process of adoption, use, adaptation and creation of technologies was to look at them according to levels. Participants noted that the most fundamental skill sets for individuals and

companies in the digital era included the capability to adopt new technologies. In that context, "digital literacy for all" was an essential requirement for enabling every citizen to participate fully in the digital society. With regard to the creative use and adaptation of technologies, training in skills such as statistics, programming languages and big data analytics was necessary. The ability to redesign or modify technologies for creative use was noted as being essential for localizing emerging technologies in developing countries. Sophisticated programming skills and a knowledge of complex algorithms, such as machine learning, were necessary for innovation in the context of adapted technologies. Many advanced technologies were designed for use in contexts in which the infrastructure and natural and social resources differed from those in developing economies. In order to maximize the benefits of new technologies, it was therefore necessary for the labour force in developing countries and the companies therein to have the skills required to introduce modifications to such technologies. The creation of new technologies represented the final and the most advanced level of digital skills.

27. Participants shared their experiences with regard to incorporating digital competencies in the education system. They noted that education policies should emphasize the importance of digital competencies at all levels — in primary, secondary and higher education. Training should be available to both students and teachers. For example, Bolivia (Plurinational State of) had provided ICT training to more than 200,000 teachers between 2010 and 2015. Bulgaria had developed a strategy, "digital Bulgaria 2020", one of the objectives of which was to overcome the digital divide by enhancing digital literacy and stimulating the broad adoption and use of ICT by citizens, businesses and the public sector. Bulgaria stressed that training needed to be flexible since emerging technologies were continually changing, and the demand for digital skills increasing, which underscored the importance of lifelong training. In its recently introduced "digital Bulgaria 2025" programme, the Government had prioritized the advancement of digital competencies and skills and had envisaged the introduction of computer modelling as a new subject in primary school. Poland had implemented projects to develop skills and awareness among youth and the elderly, for example, a campaign ("Coding with UKE") that focused on supporting the development of digital competencies among youth through subjects such as coding with Scratch, smart city programming, robotics, and three-dimensional design. Other campaigns included "I know what I'm signing", which was directed especially at advising the elderly on how to conclude contracts, and "I click sensibly", which focused on teaching children how to "surf" online and use telecommunication devices safely, including ways to deal with online aggression and protect personal data. Participants noted that outside the formal education classroom setting, vocational training had the potential to help young people seize opportunities in the labour market. Turkey, through its "Industry 4.0" project, had set up vocational schools dedicated to providing young students with training in digital skills and familiarizing them with emerging technologies.

28. It was noted, however, that adapting to changing labour markets demands required more than digital skills alone. There was an increasing need to strengthen unique human skills that could not be easily replaced by machines, computers, algorithms and robots. In addition to digital competencies, building and strengthening complementary skills, such as complex problem identification and problem-solving, critical thinking and creativity, were essential to creating the flexibility required for current and future workforce demands. Ultimately, technologies comprised tools built and made available to solve problems. Competencies were needed to identify issues and to determine which tools were required, or even which technologies might need to be invented to address them.

29. Regarding the lower participation of women in ICT fields, participants noted that that was not the case in all parts of the world, nor was it the case historically. They noted several examples of women who had made significant contributions to the development of computer science and technologies early on, including Ada Lovelace, who programmed the Babbage Engine, and the women who programmed the Electronic Numerical Integrator and Computer (ENIAC). The causes for the current underrepresentation of women in the ICT field were complex, but examples of successful efforts to address some of them showed that it was possible to remove barriers. Participants noted that the main challenges to higher participation by women related to such issues as access, opportunity, availability of infrastructure and time. They also noted, however, some of the successful cases in tackling those challenges. Malta, for example, had launched a national digital strategy, which included actions to increase female participation in ICT sectors, and had raised awareness on digital skills education and careers to reduce the gender imbalance in the technology sectors.

30. Digital technologies and education could be mutually beneficial. Participants noted three innovations that could contribute to education: massive open online courses; open access to scientific literature and educational resources; and technology-mediated teaching and learning. Massive open online courses had the potential to deliver mass education at little or no cost. Open access to scientific literature and educational resources contributed to knowledge-sharing by facilitating access to literature and content. Latvia, for example, had developed a natural science and mathematics project that allowed for the production of support materials, which were available on the Internet, for teachers of biology, physics, mathematics and chemistry. In technology-mediated teaching and learning, artificial intelligence and big data analytics could help to assess the work of students and provide useful feedback. In addition, the Internet of things could be used to set up virtual classrooms utilizing the Internet, with the potential to transform remote learning into an interactive and engaging experience. Although those multimedia interfaces facilitated learning, they were meant to be complementary to the learning process since they worked best in conjunction with formal education and could not replace it.

31. Participants noted that an enabling environment included investments in digital infrastructure, policy and institutional development. Many countries had already implemented national strategies aimed at increasing digital competencies. The revised broadband policy and broadband strategy launched by South Africa, for example, aimed at ensuring universal access to ICTs by 2020. Some of the initiatives of the strategy included the establishment of a "digital doorway" for women in deep rural areas that would allow them to have access to ICT and obtain agricultural information. Other countries had focused their efforts on improving digital infrastructure and access. The "Connect home" initiative of the United States, for example, addressed the technology adoption issue by providing low-cost or free broadband access and digital literacy training to low-income families.

32. Nevertheless, today, more than half of the world's population was still offline, unable to benefit from the positive impact that ICTs could have on their lives. Participants emphasized the need to reach people living in remote regions; to reduce differences between communities in urban and rural areas; and to promote digital inclusion of the population in support of economic growth and poverty alleviation.

33. The skills mismatch should be addressed not only from the market-driven perspective of supply and demand but also from a sustainable viewpoint grounded in closing the gender and digital divides, respecting human rights and planetary boundaries, and overcoming structural barriers to access. Policies addressing skills mismatch should be constructed with due consideration given to differences between and within countries, demographics, and geography. A thorough understanding of the skills base of countries and industries, as well as evolving future skills requirements,

were necessary in order to accelerate progress in implementing the 2030 Agenda for Sustainable Development.

34. Member States were encouraged to implement policies aimed at establishing adequate ICT infrastructures, such as investing in facilities for data collection and infrastructure and data resources capabilities. They were also encouraged to incorporate training in digital competencies and soft skills in formal education and to promote the study of science, technology, engineering and mathematics, particularly among female students. They should also implement mechanisms such as foresight to identify trends in ICT development and skills needs that would help workers to meet current and emerging demands for competences, and support workers and enterprises adapt to change.

**The role of science, technology and innovation in increasing the share of renewable energy substantially by 2030**

35. Participants noted that 1.1 billion people did not have access to electricity, about 85 per cent of whom lived in rural areas, mainly in Africa. Over 10 million businesses were affected by lack of power. Moreover, 2.8 billion people did not have access to clean forms of energy for cooking. In many countries, the majority of people affected by energy poverty were women and girls.

36. Access to electricity and clean forms of energy for cooking played a critical role in achieving the 2030 Agenda, in particular Goal 7. Access to energy was needed not only for households but also for economic producers in such sectors as agriculture, industry and services, as well as for public and community spaces such as streets, schools and hospitals. Achieving Goal 7 was likely to have a significant positive impact on the achievement of other Goals, for example, by contributing to the development of modern infrastructure to reduce poverty and create income and opportunities (Goal 1); reducing health risks associated with pollution by the use of fossil fuels for cooking and lighting in homes (Goal 3); improving gender equality by reducing the time needed for women and girls to gather wood and allowing for more flexibility with regard to other activities (Goal 5); fostering innovation in renewable energy technologies (Goal 9); and mitigating greenhouse gases that cause climate change (Goal 13). Renewable energy and energy efficiency could contribute towards reducing energy-related carbon dioxide emissions by more than 90 per cent.

37. Participants noted some global trends in renewable energy deployment. The costs associated with the use of renewable energy technologies had fallen and were now comparable with, and in some projects cheaper than, those associated with the use fossil fuels. The contribution of renewable energy to the global primary energy demand, although still small at 14 per cent in 2016, had almost doubled in the past 25 years. Renewable energy now contributed to 23 per cent of electricity generation worldwide: 16 per cent from hydropower, 5 per cent from wind, geothermal, solar and tidal power, and 2 per cent from biomass and waste. Since 2012, over half of the total capacity added was in renewable energy technologies. Both renewable energy and energy efficiency were at the heart of the energy transition and climate goals. By 2050, action in both areas must be scaled up considerably.

38. Participants noted that, despite progress made at the global level, significant variations existed between countries. In countries of the European Union, the share of renewable energy was expected to double, rising to 34 per cent by 2030, to be cost-neutral and to create substantial economic and social benefits. Accelerating renewable deployment would be essential for Europe, in order to be in compliance with the Paris Agreement. Participants noted that in Poland the share of renewable energy in the energy mix accounted for 14 per cent, almost reaching the Europe 2020 target of 15 per cent for the country. China shared experiences in increasing the proportion of

renewable energy used, investing in new technologies, promoting renewable energy technology transfer and capacity-building, speeding up integration with new technologies such as artificial intelligence and blockchains and reducing poverty substantially. The Government considered renewable energy essential to achieving the Goals and to implementing the Paris Agreement. The Plurinational State of Bolivia had made renewable energy a priority and shared its vision to become a centre of energy production and an exporter of energy. Participants also noted the high potential for solar energy in Chile. Cuba had set ambitious targets related to renewable energy, engaging civil society and grass-roots groups, but financial assistance was required to support environmental education and the protection of vulnerable ecosystems.

39. Participants commented on the fact that, in the least developed countries, people relied to no small extent on traditional biomass for cooking and heating. Biomass generated 59 per cent of the total primary energy supply in those countries. Renewable energy, by contrast, comprised only 9 per cent of the total primary energy supplied. Such an energy mix caused severe and adverse personal and environmental consequences to those populations. It also hampered the capacity of least developed countries to engage in the structural transformation of their economies. The household sector accounted for two thirds of the energy consumption in those countries, reflecting the weak development of their productive capacities, which entailed a relatively low demand stemming from productive firms. In developed countries, by contrast, the household sector generated less than 20 per cent of energy consumption, with the bulk of demand arising from productive and community users.

40. Participants noted that the drivers and inhibitors of the development and deployment of renewable energy included cost and affordability, finance, technical maturity, appropriate skills, environmental sustainability and integration into electricity systems. Technological innovation could be accelerated both by international competition and cooperation, for example, through global innovation chains. There were benefits to encouraging each one of them in different circumstances. Governments played a role in funding research and development, creating demand through deployment incentives, reforming energy markets and setting standards, and strengthening investor confidence. A combination of affordable renewable technologies, digitalization and climate change policies was also driving change. In Poland, for example, the national fund for environmental protection and water management financed the green technology accelerator project (GreenEvo), through which small and medium-sized enterprises were encouraged to do business in the green economy sector, including renewable energy. The project had boosted the growth of renewable energy in the Polish private sector and the development of renewable energy technologies, in particular in biomass and biogas processing technologies, solar collectors, hydroelectric plants, geothermal power plants and offshore wind power plants.

41. With regard to the least developed countries, participants noted that the deficits in access to energy were rooted in the low electric supply capacity, which was only 2 per cent of that in developed countries. Across least developed countries, 42 per cent of enterprises identified electricity supply as a major constraint. Power outages cost companies in those countries an average of 7 per cent of the value of their sales.

42. There were significant opportunities for innovation to improve renewable technologies and reduce their costs, especially in the domain of solar cells, in the introduction of digital technologies into the energy systems and in the use of vehicles as energy storage devices. Opportunities for innovation also existed in coupling renewable technologies with technologies from other innovative sectors. In that regard, participants noted several examples of business-driven innovations in such areas as the auto industry, the shared economy, digital technologies and big data.

Technological progress and cost reductions in renewable energy could boost electrification, especially in rural areas in developing countries. Affordability was critical given that low-income communities might be unable to pay in advance for the investment required and investors might be equally unwilling to invest in uncertain returns owing to a low density of demand.

43. Productive use of electricity could also help to provide the demand needed for investments in electricity infrastructure to be viable. The increase in demand operated in two ways. First, the expansion of commercial and industrial firms created a demand for electricity, which was not only large-scale but also profitable, given the capacity of firms to pay for modern energy. Second, the expansion of productive activities, which led to structural transformation, generated additional employment and, therefore, additional demand for electricity. The additional demand helped to make the additional investment in the energy sector viable. The energy transformation nexus between energy use and structural transformation was central to sustainable development.

44. Participants highlighted that the integration of renewable energy into the grid infrastructure posed a technical challenge. Renewable energy was site-specific, and solar- or wind-rich areas could be distant from the demand and the grid infrastructure. There was therefore a need for innovation in infrastructure development, storage and technologies to increase demand-side flexibility. Participants discussed the possibility that off-grid, mini and pico grid renewable energy systems might prove to be faster than grid electrification in providing communities with access to electricity. Off-grid solutions, in particular solar photovoltaic technology, were likely to be the most cost-effective for universal electrification in sub-Saharan Africa. Nepal and Senegal were examples of least developed countries that had adopted such rural electrification programmes based on renewable energy.

45. Another challenge to the rapid and widespread adoption of renewable technologies was access to those technologies, in particular in the least developed countries. Participants noted that the international community had not yet developed an efficient mechanism of technology transfer to those countries.

46. The challenges disproportionally affected women. Women were often the primary managers of energy, but modern infrastructure reached women last. In sub-Saharan Africa, the Solar Sister initiative offered an example of a last-mile distributor that was led and driven by women and brought clean energy access to underserved communities. At Solar Sister, women were the agents of change and facilitated the last-mile distribution. Solar Sister sourced durable, affordable lights and stoves and managed the wholesale and retail aspects of the services provided. Communities benefited from solar lights and efficient stoves, which had a positive ripple effect on household finances, education and health.

47. Renewable energy pathways and related income-generation opportunities should have a central place in national development strategies because of their strategic importance. There was not just one optimal pathway for the deployment of renewable energy, and policymakers needed to balance aims and priorities, taking into consideration contextual factors such as geography, as well as cultural and institutional conditions. Policy mixes were necessary for supporting renewable energy deployment. They included complementary instruments such as feed-in tariffs, international standards, public procurement, mission innovation programmes and bottom-up funding mechanisms. Appropriate policy processes and governance mechanisms were needed to maximize their effectiveness.

48. Member States were encouraged to increase national support for research and development activities in renewable energy technologies and enabling technologies; adopt policy mixes that allowed for flexibility to support renewable energy innovation

and deployment; ensure the coherence of renewable energy policies with the national development agenda; enable the contribution of grid and off-grid solutions; support new business and financing models to ensure affordability; recognize and consider the social and cultural contexts of local communities; consider the gender impact of renewable energy deployment; promote North-South, South-South and triangular partnerships on renewable energy technologies; and build domestic innovative capacities, including skills for installing, maintaining and repairing renewable energy technologies.

49. The least developed countries must go beyond meeting basic household energy needs and target productive uses to achieve universal access to energy. The energy-transformation nexus was central to their development and achievement of Goal 7. They were encouraged to become early followers of new energy technologies, diversifying their power generation mix. The adoption of new energy technologies should be based not only on cost-effectiveness but should also reflect sustainability, inclusivity and structural transformation priorities. Least developed countries should also strengthen grid flexibility, upgrade monitoring and control capabilities, and adopt system-wide approaches to electricity markets, including energy efficiency practices and demand-side management.

50. ICTs had an essential role to play in increasing the share of renewable energy by 2030. The dissemination of accurate information about the benefits of renewable energy was yet another avenue that could ensure an increase in the substantial percentage of renewable energy use by 2030 and could be achieved through ICTs. There was therefore a need to involve the ICT sector in effectively and efficiently promoting renewable energy.

**Partnerships and international cooperation**

51. Participants called for partnerships in implementing national policies and programmes on science, technology and innovation. They also emphasized the importance of international and regional cooperation to promote shared experiences and lessons learned and to ensure that no one was left behind. Examples of relevant international cooperation mechanisms included the Belarusian-Pakistani Centre of Science and Technology Cooperation and the sub-centre (sub-centre Pakistan) established in Islamabad, as part of the China-South Asia Technology Transfer Centre, to assist research organizations, educational institutions and innovative industrial enterprises in expanding business and academic partnerships and contracts in the field of scientific and technological research.

52. Participants reiterated the critical importance of multi-stakeholder partnerships in building sustainable and resilient societies. They highlighted the need to strengthen the science, technology and innovation ecosystem, including to promote partnerships among donors dealing with the multifaceted resilience challenges facing the world. An example of such an endeavour was the partnership development complex created by the Islamic Development Bank to revitalize global partnerships. Collaboration among stakeholders could also contribute to building competencies in countries. Public-private partnerships, as well as partnerships between nations, could help to build digital skills and digital infrastructure. Uganda, for example, with the assistance of the Government of the Republic of Korea had built information access centres to facilitate e-government.

53. Participants stressed the importance of strengthening the close collaboration among international organizations to deliver coherent capacity-building programmes on science, technology and innovation in the context of implementing the Goals in developing countries. In that connection, they noted that the Inter-agency Task Team on Science, Technology and Innovation for the Sustainable Development Goals,

which was part of the Technology Facilitation Mechanism, had developed a United Nations system-wide training programme to assist Member States in enhancing their capacity to use science, technology and innovation for implementation of the Goals. The training was provided for the first time in Amman in April 2018 as a capacity-building workshop on innovation policies for the Goals in the Arab region. It was organized by the Economic and Social Commission for Western Asia and other members of the task team, namely, UNCTAD, the United Nations University-Maastricht Economic and Social Research Institute on Innovation and Technology, the United Nations Educational, Scientific and Cultural Organization, the United Nations Industrial Development Organization, the World Intellectual Property Organization and the Department of Economic and Social Affairs of the Secretariat, in cooperation with the Jordanian Higher Council for Science and Technology. Member States and the Task Team were encouraged to scale up the initiative to strengthen the capacities of developing countries in respect of science, technology and innovation and implementation of the Goals.

54. Participants also stressed the importance of fostering closer collaboration among international organizations to create initiatives aimed at building digital skills. For example, the "Digital skills for decent jobs campaign", an effort led by the International Telecommunication Union and the International Labour Organization to equip 5 million young women and men with job-ready digital skills by 2030 in support of the Goals, was part of a comprehensive United Nations system-wide effort to promote youth employment worldwide. A digital skills toolkit was designed to support the community involved in the Decent Jobs for Youth initiative and Member States in building their national digital skills strategies.

55. In that regard, it was crucial to tackle stereotypes regarding women participating in the fields of science, technology, engineering and mathematics and ICTs. Participants noted that the Commission on the Status of Women had urged Governments and others to address the persistent and widening gender divide concerning skills development and to improve the access of women to health care, productive lives, mobile learning and training in literacy. Participants also noted initiatives of the United Nations system, including EQUALS, the global network aimed at improving women's access to technology, building relevant digital skills and skills in the fields of science, technology, engineering and mathematics and promoting female leadership in the technology sector, thereby improving the lives of millions worldwide. In addition, International Girls in ICT Day, was celebrated every year on the fourth Thursday of April, and was aimed at creating a global environment that empowered and encouraged girls and young women to consider careers in the growing field of ICTs, enabling both girls and technology companies to reap the benefits of greater female participation in the ICT sector. To date, over 300,000 girls and young women had taken part in more than 9,000 celebrations of International Girls in ICT Day in 166 countries worldwide.

56. International and regional cooperation played a significant role in increasing the share of renewable energy in the global energy mix by 2030. International cooperation, including North-South and South-South cooperation, could comprise policy learning and capacity-building, technology development, improvements in the interconnection of grid infrastructures across borders, the expansion of manufacturing capacity or contributions through funding. It could bring together different players of a supply chain or help them to benefit from shared natural resources and infrastructure. Interregional cooperation was especially crucial in mitigating different renewable energy potentials owing to geographical differences between neighbouring countries.

57. Participants noted several examples of international cooperation with regard to renewable energy. Through the Solar Thermal Training and Demonstration Initiative

of South Africa, funded by the Austrian Development Agency and the Fund for International Development of the Organization of the Petroleum Exporting Countries, 187 small- to large-scale solar heating systems had been installed and 2,150 people in countries in the southern African region had been trained. A solar factory in Mozambique, representing a joint investment of the Governments of India and Mozambique, offered an example of technology and skills transfer between countries and employment creation in the manufacturing stage of the supply chain. Mission Innovation, a global initiative of 22 States and the European Union to accelerate global clean energy innovation, emphasized collaborative research, development and demonstration. The Global Alliance for Clean Cookstoves, a public-private partnership of more than 1,600 partners worldwide, played an instrumental role in supporting the research, design and roll-out of programmes for improved cookstoves. China provided technical assistance to Ghana and Zambia and supported capacity-building in collaboration with the United Nations Development Programme. China was also strengthening international cooperation within the Belt and Road Initiative. Chile was creating regional centres of excellence for research in collaboration with international research centres such as the Fraunhofer Institute in Germany.

58. Participants noted that in December 2018, Poland would host the twenty-fourth session of the Conference of Parties to the United Nations Framework Convention on Climate Change. The session would provide an opportunity for countries to work together on efforts to mitigate and adapt to climate change. Poland indicated that it would hold a series of side events focusing on issues critical to achieving a substantial hike in the share of renewable energy by 2030.

59. Member States were encouraged to continue to facilitate international and regional joint research activities on renewable energy; promote global collaboration on science, technology and innovation; and improve the interconnection across borders of grid infrastructure for renewable energy.

**Commission on Science and Technology for Development**

60. Participants reaffirmed the critical role of the Commission in promoting science, technology and innovation for development. They encouraged the Commission to continue to articulate the critical role of science, technology and innovation in the implementation of the Goals and to keep the General Assembly, the Economic and Social Council, the high-level political forum on sustainable development and other relevant forums apprised of developments in that regard. They also called on the Commission to serve as a forum for strategic planning and foresight regarding critical trends in science, technology and innovation in key sectors of the economy and to draw attention to emerging and disruptive technologies.

61. Participants encouraged the Commission to continue to collaborate with the Commission on the Status of Women on pursuing the common goal of a gender-responsive implementation of the 2030 Agenda. In that regard, participants encouraged the Commission to play a role in promoting a gender perspective in digital society, by considering how women and girls could benefit and contribute to science, technology and innovation, including by expanding their access to ICTs, supporting the increase of women's participation in jobs related to science, technology, engineering and mathematics, and promoting safe cyber use.

62. Participants encouraged the Commission to consider providing training programmes for policymakers on topics related to technological change, including on supporting countries to conduct foresight on ICT trends and capacity-building efforts to use and deploy technologies in developing countries, predominantly in the least developed countries. Participants noted that, as the secretariat of the Commission, UNCTAD was already working on those issues through its work on science,

technology and innovation policy reviews, and in the context of the Technology Bank for the Least Developed Countries, established pursuant to the Addis Ababa Action Agenda. UNCTAD was also working with the Government of China to provide short training programmes in China for academics from developing countries.

63. Participants encouraged the Commission to support multi-stakeholder collaboration in terms of policy learning, capacity-building and technology development in renewable energy; improving coordination among stakeholders and fostering partnerships in renewable energy that harnessed the specific expertise and interest of stakeholders; encouraging the sharing of lessons between countries and regions; and identifying mechanisms that improved capabilities in developing countries with regard to renewable energy, including skills to develop policies, flexible plans and regulations, and measures to strengthen capacities to absorb and maintain renewable energy technologies and adapt them to local contexts.

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Agenda item 14
**Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations**

# Assistance to the Palestinian people**

## Report of the Secretary-General

*Summary*

The present report, submitted in accordance with General Assembly resolution 72/134, contains an assessment of the assistance received by the Palestinian people, the needs still unmet and proposals for responding effectively to them.

In December 2017, the 2018–2020 Humanitarian Response Plan for the occupied Palestinian territory was finalized, offering, for the first time, a three-year planning horizon. The Plan requires $539.7 million for 2018 to address urgent humanitarian needs throughout the occupied Palestinian territory.

The time frame for the disbursement of the $3.5 billion pledged in October 2014, at the Cairo International Conference on Palestine: Reconstructing Gaza, ended in 2017. As at 31 March 2018, the disbursement rate stood at 54 per cent ($1.884 billion). Through the Gaza Reconstruction Mechanism, reconstruction and repair of the 17,800 uninhabitable houses following the 2014 escalation of hostilities have continued, with more than 70 per cent completed. Over 20,000 people remain displaced.

In 2017, the Government of Palestine implemented the first year of the National Policy Agenda 2017–2022. To support that national development vision, the United Nations formulated its second ever United Nations Development Assistance Framework for the country and commenced implementation in January 2018. The financial resources required for the assistance provided through the Framework are approximately $1.26 billion over five years (2018–2022).

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# I. Introduction

1. The present report is submitted in accordance with General Assembly resolution 72/134, in which the Assembly requested the Secretary-General to submit a report at its seventy-third session, through the Economic and Social Council, on the implementation of the resolution, containing an assessment of the assistance actually received by the Palestinian people, an assessment of the needs still unmet and specific proposals for responding effectively to them. The reporting period is from April 2017 to March 2018.

2. Information on the political and socioeconomic situation is provided in several reports prepared by United Nations entities and submitted to various United Nations bodies, including the monthly Security Council briefings by the Special Coordinator for the Middle East Peace Process; the annual report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (A/72/13); and the reports of the Office of the Special Coordinator to the Ad Hoc Liaison Committee for the Coordination of the International Assistance to Palestinians of September 2017 and March 2018.

3. The humanitarian, economic and development needs of the Palestinian people are reflected in several complementary strategic and resource mobilization documents. Under the 2018–2020 Humanitarian Response Plan, $539.7 million is sought for 2018 to provide access to basic services and support the ability of Palestinians to cope with and overcome the protracted crisis. Through the Plan, the United Nations and its partners will continue to coordinate and deliver humanitarian and protection assistance to 1.9 million vulnerable Palestinians.

4. The United Nations Development Assistance Framework 2018–2022 presents the United Nations strategic response to Palestinian development priorities contained in the National Policy Agenda for 2017–2022. The Framework places the Palestinian people at the centre of development programming in line with the 2030 Agenda for Sustainable Development, and requires financial resources of approximately $1.26 billion over five years (2018–2022).

5. Throughout the year, the Office of the Special Coordinator continued its efforts to support the peace process and to promote coordination among the Government of Palestine, the United Nations, the international community and the Government of Israel.

# II. Overview of the current situation

## A. Political context

6. The reporting period was characterized by an increase in violence compared with the period from April 2016 to March 2017. Settlement activities continued but showed a decline in most indicators, and demolitions of Palestinian-owned structures also continued, albeit at a significantly lower rate. Divisions among the Palestinian factions persisted, despite Egyptian-led efforts to advance reconciliation, and have negative implications on the socioeconomic, humanitarian and social aspects of life in the occupied Palestinian territory, most acutely in Gaza.

7. While the international community continued to seek ways to advance peace, no tangible progress was realized. On 27 August 2017, the Secretary-General undertook his first official visit to Israel and Palestine, where he reaffirmed that there was no alternative to the two-State solution, based on relevant United Nations resolutions, international law and prior agreements.

8. On 6 December 2017, the President of the United States of America announced the decision to recognize Jerusalem as the capital of Israel and to move the United States Embassy to Jerusalem, stating that final status issues, including the specific boundaries of Israeli sovereignty in Jerusalem, remained for the parties to determine. Since then, there has been a marked increase in violence and tensions on the ground with increased numbers of clashes, deaths and injuries. Speaking at the Security Council on 20 February 2018, the President of Palestine, Mahmoud Abbas, called for an international peace conference to be held by mid-2018, which would form a multilateral mechanism that would assist the two parties to the negotiations in resolving all permanent status issues, attaining full United Nations membership for the State of Palestine and mutual recognition between the State of Palestine and the State of Israel on the basis of the 1967 borders.

9. From April to early December 2017, four rockets were fired from Gaza towards Israel. Militants fired some 61 rockets between 6 December 2017 and 25 March 2018. Beginning in February 2018, there were at least six incidents of improvised explosive devices being placed by Palestinian militants, which exploded at the Gaza fence, in one case wounding four Israeli soldiers. On each occasion, Israeli forces responded with air strikes and shelling against Hamas targets. An improvised explosive device targeting the convoy of the Prime Minister of Palestine, Rami Hamdallah, in Gaza in March 2018 lightly injured six people. The Israeli military announced that it had destroyed five tunnels leading from Gaza to Israeli and/or Egyptian territory since October 2017. In one such operation on 30 October, 12 members of Islamic Jihad were killed inside the tunnel.

10. The planning, tendering and building of new settlement housing units continued, with most indicators pointing to a decline compared with the previous reporting period. The Israeli Civil Administration advanced plans for some 4,500 housing units in Area C settlements, down from over 7,000 during the previous period. An additional 1,400 units reached the final stage of approval before construction. Tenders for nearly 1,200 units were announced throughout Area C, a decline compared with some 3,500 units in the previous period. In occupied East Jerusalem, plans for some 2,300 housing units were advanced, a sharp increase over the approximately 1,500 units advanced in the previous reporting period, although no new tenders were issued.

11. On 12 October 2017, under Egyptian mediation, Fatah and Hamas reached agreement on a process to end the political division between the West Bank and the Gaza Strip.

12. Despite statements by senior Fatah and Hamas officials reiterating their commitment to reconciliation efforts, the two sides have failed to demonstrate the necessary commitment to taking concrete measures to advance the process. These continuing divisions served to exacerbate the humanitarian and service delivery crisis on the ground.

## B. Humanitarian and socioeconomic context

### Economic and fiscal developments

13. The economic conditions in the occupied Palestinian territory were characterized by stagnant growth in both the West Bank and Gaza and high unemployment in the range of 13.7 per cent in the West Bank and 42.7 per cent in Gaza at the end of 2017.

14. In Gaza, gross domestic product (GDP) per capita declined in all four quarters in 2017, while the unemployment rate increased steadily in the first three quarters of

the year before declining slightly in the fourth quarter, owing in part to seasonal agricultural work. The majority of the unemployed are younger than 30 years of age.

**Humanitarian developments**

15. The reporting period witnessed a significant increase in violence and casualties compared with the previous period. A total of 101 Palestinians were killed in direct conflict incidents (up from 60 the previous year), mostly by Israeli security forces. Sixteen Israelis, including seven members of Israeli security forces, were killed by Palestinians during the same period (up from 12 the previous period). Half of the Palestinian fatalities and over 70 per cent of the injuries occurred during three waves of clashes between Palestinians and Israeli forces: in July 2017, following a fatal shooting attack at one of the entrances at the Haram al-Sharif/Temple Mount; in December 2017, after United States recognition of Jerusalem as the capital of Israel; and in March 2018, at the "Great March of Return" in Gaza.

16. In 2017, 15 Palestinian children (13 boys and 2 girls) were killed in the West Bank, including East Jerusalem, and in the Gaza Strip, all attributed to the Israeli security forces. Five children (2 girls and 3 boys) between 15 and 17 years of age were killed by Israeli security forces in the context of stabbing or reported stabbing attacks in the West Bank, including East Jerusalem. One 9-year-old boy died of injuries incurred in Gaza in 2014, one 16-year-old was killed by the detonation of previously unexploded ordnance in a military training zone in the Jordan Valley, and seven children were killed by live ammunition used by Israeli security forces in clashes in Gaza and the West Bank.

17. In 2017, Palestinian children continued to be arrested and detained by Israeli security forces for alleged security offences, particularly stone and Molotov cocktail throwing during clashes. According to data from the Israel Prison Service, on average 312 Palestinian children were held in detention each month between January and December 2017. At the end of December 2017, of the 352 children detained, 244 were held in pretrial detention and/or during trial. The United Nations also documented five cases of children held in administrative detention in 2017.

18. The internal divide between the Palestinian Authority in Ramallah and the Hamas de facto authorities in Gaza worsened in early 2017. In reaction to the formation by Hamas of a parallel institution to run governmental affairs, the Palestinian Authority reduced salary allowances of its employees in Gaza by 30–50 per cent in April 2017. The measure affected nearly 60,000 public sector employees. The Palestinian Authority also implemented an early retirement scheme, affecting a minimum of 4,000 security and 6,000 civilian personnel, and ceased the payment of stipends to at least 277 former political prisoners. Cuts in salaries and allowances greatly diminished purchasing power and the already limited economic activity. The internal divide also contributed to an energy crisis. In June 2017, the Palestinian Authority reduced payments for the 120-MW line that provides Gaza with electricity from Israel, bringing supplies down to 70 MW. Although the Palestinian Authority resumed payment for the 50 MW in January 2018, the improvement in electricity provision was short-lived, as the Authority ordered the Gaza Electricity Distribution Company to start covering part of the cost of the electricity purchased from Israel, at the expense of the fuel purchased to run the Gaza power plant. Consequently, electricity outages of up to 20 hours a day continue to undermine the provision of basic services.

19. During the reporting period, the Israeli authorities demolished or seized 314 Palestinian-owned structures throughout the West Bank, including East Jerusalem, displacing 448 Palestinians, half of them children, and affecting the livelihoods of more than 3,200 people, a sharp decline from the 764 structures, 1,222 displaced, and

over 8,000 affected during the previous reporting period. Of the demolished structures, 41 were provided by donors as humanitarian assistance. Most of the structures were destroyed or seized for lack of Israeli-issued building permits, which are nearly impossible to obtain in vast parts of Area C, including East Jerusalem. Palestinians can legally build on less than 1 per cent of Area C only, and the approval of new plans is far from meeting the needs of the Palestinian population.

**Movement, humanitarian access and operational space**

20. During the reporting period, access and movement restrictions on Palestinians imposed by the Government of Israel remained in place, including on land and sea access to Gaza, and across the Barrier, which restricts access by Palestinians to some 5 per cent of the West Bank, including most of East Jerusalem. Such measures, which Israel imposed, citing security concerns, impede Palestinian access to land, social services and economic opportunities and severely constrain efforts to improve their conditions.

21. Only a small minority of Palestinians in Gaza remain eligible for exit permits through the Israeli-controlled Erez crossing, primarily patients, businesspeople and the staff of international organizations. The exit of Palestinians through Erez into Israel declined by almost 50 per cent in 2017, or 82,810 exits compared with 158,250 in 2016. The year 2017 witnessed the lowest approval rate (54 per cent) for permit applications for patients to exit Gaza through Erez since the World Health Organization (WHO) began monitoring them in 2008. By the end of 2017, there was an 85 per cent decline in the number of businesspeople with valid trader permits for Israel, compared with late 2015. The Rafah crossing to Egypt was open for only 36 days in 2017, compared with 43 days in 2016 and 32 days in 2015. Some 1,405 patients from Gaza crossed through Rafah in 2017; before the closure in July 2013, more than 4,000 Gaza residents had crossed Rafah to Egypt each month for health-related reasons. In April 2017, Israeli authorities announced the interception of an attempt to smuggle explosives into Israel by a Palestinian medical patient from Gaza, accusing Hamas of exploiting the movement of civilians for militant activities.

22. During the reporting period, the volume of goods entering Gaza from Israel through the Kerem Shalom crossing decreased by 5 per cent compared with the previous reporting period (113,405 and 119,480 truckloads, respectively). The decline is attributable mostly to the worsening economic situation, a slowdown in reconstruction activities due to funding shortages, and the increase in the entrance of goods through Egypt. Israeli authorities reportedly foiled several attempts to smuggle contraband into Gaza concealed as civilian goods. Since the beginning of 2018, the Israeli authorities have approved thousands of pending residential cases, more than 130 private sector projects and over 1,200 requests for the import of items that Israel considers to be of dual civilian and military use.

23. Palestinian movement is still restricted in East Jerusalem, with West Bank identification card holders, except men over 55 and women over 50, needing permits to enter the city, and in the Israeli-controlled area of Hebron (H2 zone), where more than 100 obstacles, including 18 permanent checkpoints, separate part of the H2 zone from the rest of the city. Nearly 30 per cent of Area C is designated as "firing zones" for Israeli military training, where residence or access is prohibited.

**Barrier**

24. The United Nations Register of Damage Caused by the Construction of the Wall in the Occupied Palestinian Territory, established pursuant to General Assembly resolution ES-10/17, continued its outreach and claim intake activities to "serve as a record, in documentary form, of the damage caused to all natural and legal persons

concerned as a result of the construction of the wall by Israel in the Occupied Palestinian Territory, including in and around East Jerusalem" (para. 3 (a)). More than 66,500 claims and over 750,000 supporting documents have been collected. Claim intake activities are completed in eight out of nine affected Palestinian governorates, with work in Jerusalem at an advanced stage.

# III. United Nations response

## A. Human and social development

25. During the reporting period, the United Nations continued to coordinate and deliver humanitarian and development assistance in the occupied Palestinian territory. That assistance targeted Palestinian individuals and communities in geographic areas beyond the reach of the Palestinian Authority, including East Jerusalem, Area C in the West Bank and Gaza. The United Nations collectively sought to invest its efforts in the most vulnerable subsections of the population most at risk of being left behind.

### Education

26. During the 2017/18 academic year, UNRWA provided free primary education (grades 1–9) to 271,900 students (140,347 boys and 131,553 girls) in 275 elementary and preparatory schools in Gaza and a further 48,192 students (28,537 girls and 19,655 boys) in 95 elementary and preparatory schools in the West Bank, including East Jerusalem.

27. In Gaza, UNRWA constructed and reconstructed seven new schools. Four of them became operational during the 2017/18 academic year, accommodating about 6,000 students.

28. During the reporting period, UNRWA schools in the West Bank continued to participate in the inclusive education programme. In 2017, inclusive education activities at the school level in the West Bank included training for 475 staff, including school principals and teachers, in inclusive education practices, and for 170 school counsellors and teachers, focusing on recreational activities in support of student psychosocial well-being. The training was extended to the West Bank. In Gaza, 11 schools benefited from an inclusive education.

29. The United Nations Development Programme (UNDP) awarded 970 scholarships (513 to women) through the Al Fakhoora Dynamic Futures programme in Gaza. A total of 785 students were also engaged in different leadership activities. Economic empowerment projects targeting 224 students were also implemented.

30. UNDP completed the construction and rehabilitation of 46 schools and higher education institutions in Gaza, serving 119,000 students. UNDP also inaugurated the first child-friendly school in Gaza, designed in cooperation with the United Nations Children's Fund (UNICEF).

31. In East Jerusalem, UNDP enhanced the learning environment of 71 private schools and provided 44 additional classrooms through the construction of 2 new schools. UNDP also provided access to quality education for 28 private schools. In the West Bank, UNDP built 19 classrooms in schools and rehabilitated 94 educational units in 12 schools and 6 kindergartens in Area C and East Jerusalem. As a result, around 6,147 students (61 per cent of them girls) currently have access to a physically improved educational environment.

32. Across the occupied Palestinian territory, UNICEF provided capacity development for 100 preschool and first grade teachers and 50 principals on

appropriate early childhood development practices; trained 980 teachers on innovative teaching approaches to life skills and active learning; and strengthened the capacity of 620 teachers and 240 counsellors on detecting and addressing signs of violence and promoting alternatives to violence among students. In addition, with UNICEF support, 10,000 students in Gaza and the West Bank participated in student-led initiatives promoting non-violence and peaceful conflict resolution.

**Health**

33. During the reporting period, UNRWA operated 43 health-care facilities, comprising 24 primary health-care centres and 19 health points, as well as six mobile clinics, one hospital and one non-communicable disease referral centre, in the West Bank. These facilities collectively employed 823 staff. In Gaza, primary health-care services were provided through 22 health-care facilities that employed 954 UNRWA personnel.

34. In Gaza, UNDP completed the rehabilitation and renovation works of Al-Quds Hospital and the reconstruction and equipping of Atta Habib Medical Centre, benefiting over 650,000 people. In addition, UNDP concluded the installation of solar panels to provide energy to three hospitals and supplied needed medicine.

35. UNDP completed the upgrading of the chemotherapy department at the Augusta Victoria Hospital in East Jerusalem, providing improved access to health care for 1,500 cancer patients annually. UNDP also improved the quality of health-care services for 30,000 patients in the West Bank (Yatta, Jenin, Alia and Al-Najah).

36. The United Nations Population Fund (UNFPA) reached more than 250,000 women with education on breast cancer and provided more than 3,000 mammogram screening tests to women in isolated areas of the West Bank and Gaza. The first comprehensive report on breast cancer and related services was published. The agency also supported the updating of protocols and work aids for sexual and reproductive health and introduced a human rights perspective into family planning services. Full-scale training on the updated protocols was completed in the West Bank and Gaza, with training delivered for 59 senior staff and Ministry of Health department heads. UNFPA also supported the updating of obstetric-care protocols, with training for midwives completed in 13 Ministry of Health hospitals in the West Bank.

37. UNICEF supported the introduction of innovative early childhood development and intervention services in 47 health centres, kindergartens and nurseries, and over 5,400 families with young children benefited from parent education, and 2,187 children ages 0 to 3 benefited from early detection and intervention services.

38. In Gaza, UNICEF supported the expansion of the Rafah and Khan Yunis Hospitals with new additional floors for neonate intensive care units since October 2017, benefiting 5,000 neonates, out of the annual expected caseload of 8,500 neonates. A third neonate unit in Bayt Jala Hospital, in the West Bank, has been expanded to double its capacity, to serve a total of 1,000 neonates on a yearly basis starting in June 2018.

39. UNICEF initiated the telemedicine approach by videoconference between Al-Makassed Hospital, in Jerusalem, with Al-Nasser Paediatric Hospital, in Gaza, which each month is helping 600 families with young children from Gaza to access quality health-care services when they are denied referral health-care services.

40. UNICEF supported the procurement of vaccines and related supplies and disposables to ensure the year-long provision of immunization services and coverage.

41. Ten clinics in Gaza benefited from exclusive breastfeeding promotion, reaching 145,453 lactating mothers. In 2017, over 40,000 lactating mothers benefited from counselling sessions in primary health-care facilities in the West Bank.

42. The United Nations Office on Drugs and Crime (UNODC) supported the establishment of a national rehabilitation centre in Bethlehem and the preparation of protocols and policies for drug treatment. UNODC and WHO laid down the foundations to redirect drug treatment, rehabilitation and prevention services by providing updated data on illicit drug use and high-risk drug users.

43. WHO supported the implementation of the Patient Safety Friendly Hospital Initiative and supported the development of tools for improving the extraction and analysis of hospital-based data to improve the quality of health care. WHO continued to support the implementation of the Package of Essential Non-communicable Disease Interventions for Primary Health Care, as well as the family practice approach in primary care.

44. WHO worked with the Ministry of Health to strengthen core capacities for the International Health Regulations, focused on improving coordination, surveillance, laboratories, infection prevention and control and emergency preparedness and response. WHO provided technical support to partners with training on the right to health and implementation of a human rights-based approach to health.

**Water and sanitation**

45. UNDP supported enhanced access to safe water and sanitation for 200,000 people through the rehabilitation of damaged sewage and water networks across the Gaza Strip. In the West Bank, access to safe and reliable drinking water was enhanced through the installation of 1,473 waterlines and 335 house connections. UNDP also improved access to water and sanitation services at the Jericho Agro-Industrial Park.

46. In 2017, UNICEF supported 65,277 people (32,775 in the West Bank and 32,502 in the Gaza Strip) through water network repairs, the installation of domestic water storage tanks and water tankering. Some 75,000 people in the Gaza Strip benefited from increased access to safe drinking water after the completion of the first phase of the southern Gaza desalination plant.

47. UNICEF supported a total of 166,766 people in gaining access to improved sanitation, and an additional 16,330 people benefited from the construction and rehabilitation of wastewater networks and sanitation household connections and services. The upgrading of the Jomizit El Sabeel sewage pumping station was completed in April 2017, benefiting 150,000 people.

48. Through the World Food Programme (WFP) e-voucher system, UNICEF provided hygiene kits to 17,146 households, benefiting around 205,750 people. UNICEF also distributed hygiene kits and cleaning kits to 102 schools in the West Bank, benefiting 35,700 students.

49. Approximately 160,000 students in 1,660 schools in the West Bank and 16,000 community members participated in the Global Handwashing Day campaign. UNICEF supported the rehabilitation and construction works for water, sanitation and hygiene facilities in schools, benefiting 60 schools attended by over 41,600 children.

**Employment**

50. During the reporting period, UNRWA continued to be the second largest employer in Gaza, with 13,000 employees accounting for some 8.5 per cent of the workforce. In addition, UNRWA construction projects and job creation programmes generated 10,000 jobs.

51. The Food and Agriculture Organization of the United Nations (FAO) supported the business development of 26 women's cooperatives (950 members) and 4 companies led by women, through the provision of training in high-quality food processing, trademark, individual property rights and product labelling to increase access to national and international markets.

52. In 2017, the International Labour Organization (ILO) conducted five business training workshops for facilitators (3 in the West Bank and 2 in Gaza) targeting a total of 171 Palestinian teachers. ILO also trained eight training service providers and 18 trainers (9 men and 9 women) on starting businesses.

53. UNDP provided sustainable employment opportunities to 1,314 people and temporary employment opportunities and on-the-job training to more than 900 youth graduates. Capacity development programmes, including business planning, basic management training skills and specialized technical training, supported more than 400 beneficiaries. UNDP provided economic empowerment activities for 657 poor families, including start-up grants to 227 households (of which 29 per cent were headed by women). A total of 430 very small and microenterprises received financing (of which 27 per cent were owned and managed by women). UNDP also provided job placement opportunities for 129 university graduates (106 female) from East Jerusalem.

54. UNDP interventions generated over 410,000 opportunities across the West Bank and Gaza Strip through labour-intensive infrastructure.

55. The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) supported the establishment of "reconciliation units" in six governorates in the West Bank, which provide legal support to women in conflict with their employers and reached over 1,000 women workers with an awareness-raising campaign during which women workers' rights under the Palestinian Labour Law were explained.

56. UN-Women provided support to the Palestinian Central Bureau of Statistics in generating knowledge products related to gender gaps in certain sectors in the form of pamphlets and posters. UN-Women also promoted positive coping mechanisms for marginalized women through skills enhancement and partnerships to access income-generation opportunities.

**Targeted social protection**

57. During the reporting period, UNRWA distributed 395,123 food parcels to almost 21,000 Palestine refugee households in Gaza and supported 36,000 more beneficiaries through cash-based transfers in the West Bank.

58. WFP also provided emergency food assistance and enabled the provision of water, sanitation and hygiene items, in addition to school uniforms. WFP continued to support the Government's social safety net programme, under which 213,000 people in Gaza and the West Bank received food and cash-based transfers.

**Culture**

59. UNDP completed the revitalization of the Khan al-Wakalah historical site, creating 26 permanent jobs. A total of 18,146 Palestinian youth living in East Jerusalem participated in social and cultural interventions conducted in partnership with non-governmental organizations.

**Food security and agriculture**

60. FAO supported 1,870 farmers in cultivating over 5,800 dunums of high-value crops with improved, sustainable techniques and pest management. A livestock market was opened in Zahiriyah, Hebron, benefiting over 2,000 herders and enhancing both food security and food safety.

61. FAO installed 61 km of pipes to irrigate almost 10,000 dunums of land cultivated by 775 farming households, reducing water losses by an average of 36 per cent in Area C. In addition, almost 49,000 $m^3$ of water were made available through the construction and rehabilitation of 175 community cisterns serving 501 households.

62. FAO supported 670 farmers in cultivating guava while controlling the Mediterranean fruit fly, which led to an increase in production and quality and a reduction of pesticide use by 40 per cent.

63. In Area C, 190 dunums of agricultural land were reclaimed through UNDP, benefiting 400 Palestinians and increasing their income. A total of 21.3 km of water networks were installed and rehabilitated, benefiting 4,712 Palestinians.

**Human rights, women, children and youth**

64. During the reporting period, UNFPA established four safe spaces in the West Bank and Gaza, and nine hospitals and primary health-care clinics were upgraded to handle gender-based violence cases. Some 500 women identified as requiring specialized assistance were treated and referred to medical, social and/or legal services.

65. UNFPA conducted 560 outreach sessions to provide psychosocial support and awareness-raising to community and religious leaders on gender-based violence. Some 1,800 women benefited from dignity kits distribution, including survivors of gender-based violence in the West Bank and Gaza.

66. For the first time, UNFPA supported the production of a reality television show on gender roles, showing men doing domestic work. Some 3,000 people participated in activities marking the 16 Days of Activism against Gender-based Violence campaign.

67. In 2017 in the West Bank, UNRWA supported 372 survivors (338 females and 34 males) of gender-based violence, domestic violence and/or other forms of abuse with individual counselling, while 19 critical/emergency cases were referred to non-governmental organizations for specialized assistance. In addition, 564 neglected elderly were given comprehensive assistance.

68. A total of 21,363 beneficiaries participated in a range of psychosocial awareness-raising activities in the West Bank that focused on gender-based violence, mental health, nutrition, sexual and reproductive health, human rights and confronting sexual abuse.

69. In 2017 in Gaza, UNRWA extended support to 1,398 survivors of gender-based violence, with approximately 48 per cent of all cases seen by counsellors at UNRWA health centres. Awareness-raising sessions delivered by legal counsellors reached 4,033 beneficiaries (96 per cent women).

70. UN-Women supported the provision of quality gender-based violence services to women victims and survivors of violence in Gaza, including case management support to 102 people and awareness-raising on gender-based violence incidence and services (for 598 women and 82 men), as well as the establishment of a business incubator.

71. A one-stop centre has been established in Ramallah, which assisted 2,224 people, including 958 cases of children in conflict with the law and child victims of violence, and 1,266 cases of family violence.

72. The safe shelter supported by UN-Women in Nablus hosted a total of 128 women, in addition to 9 girls and 11 boys. In Gaza, UN-Women supported the Hayat Centre with financial aid for the provision of case management support to 199 victims/survivors of gender-based violence.

73. UN-Women supported the Government of Palestine in its reporting requirements for the first ever State report on the Convention on the Elimination of All Forms of Discrimination against Women and supported non-governmental organizations in drafting a shadow report.

74. UNICEF supported the training of 100 professionals on the application of the new Juvenile Protection Law, including judges and prosecutors, police, lawyers and child protection counsellors.

75. UNICEF also supported the child protection counsellors in the Ministry of Social Development through the provision of 121 coaching sessions on case management. In Gaza, information management systems were strengthened by training 98 child protection professionals on a web-based case management system.

76. UNRWA referred 41 cases of detained children in the West Bank to legal support and other services. Between January and September 2017, 11,223 children (5,615 girls) were supported by UNICEF structured psychosocial services and child protection interventions through 20 centres. A total of 2,882 caregivers increased their awareness of the protection of their children and positive discipline. A total of 75 counsellor rooms, 7 specialized counselling units and 25 play therapy rooms were refurbished, equipped and opened.

77. UNRWA provided mental health and psychosocial support to 57 Bedouin and herder communities in the West Bank that face settler violence, as well as the risk of forced displacement. During the reporting period, over 10,300 individuals received monthly access to psychosocial and mental health support.

78. UNDP increased youth and child participation in sport across the West Bank and Gaza through the establishment of the Palestinian Youth Sports League. Over 6,200 young people (25 per cent female) benefited from the initiative. In addition, six sports facilities and stadiums were built and rehabilitated.

79. UNICEF supported 17,447 adolescents with life skills training to improve their work readiness and civic engagement to be positive agents in their communities, with 10,802 of the youth leading community-based initiatives. A total of 4,533 adolescents were engaged in behavioural change campaigns to reduce violence in schools and communities, build trust between community members and adolescents, and improve social cohesion within and between communities.

80. UNFPA reached 10,376 young people with empowerment programmes and 6,000 young people through peer-to-peer training in universities. More than 1,000 young people participated in youth-led community initiatives. Some 450 young people and 20 decision makers were engaged through innovative new interventions such as a blog bus, an electronic mural, an online demonstration, smartphone films and a youth council.

81. UNRWA supported 383 female university graduates with leadership, life skills and self-development training. Subsequently, 200 female university graduates participated in a five-month work placement programme in different organizations and companies across the Gaza Strip.

**Environment, housing and urban development**

82. In Gaza, UNDP provided cash assistance for 294 families, with a focus on internally displaced people and women-headed households, and reconstructed 1,014 homes, benefiting 6,386 people.

83. UNDP improved access to housing for 600 disadvantaged people in East Jerusalem, with a focus on women-headed households. UNDP supported 176 Palestinians in starting new housing cooperatives in East Jerusalem. Some 30 awareness-raising workshops on legal, engineering, housing and social issues were conducted with the participation of around 2,750 Jerusalemites.

84. The United Nations Human Settlements Programme (UN-Habitat) supported human rights mainstreaming in community-driven outline plans (spatial planning) in Area C. The Ministry of Local Government adopted a human rights impact assessment mechanism to inform 5 new local outline plans; 25 consolidated local detailed outline plans; 2 cluster plans for a group of communities; and 3 new city-region plans.

85. UN-Habitat accomplished spatial planning projects in three marginalized municipalities in the Gaza Strip (Wadi al-Salqa, Abasan al-Kabirah and Bayt Lahya) aimed at strengthening local and national institutions for the provision of public services.

86. UN-Habitat and UN-Women inaugurated the first safe and inclusive public space in Gaza using digital technology to engage women and youth in designing their own public spaces. A public space in Wadi al-Jawz in East Jerusalem was also developed by engaging more than 30 young people in the design process and will serve more than 40,000 residents.

## B. United Nations system emergency assistance

87. In 2017, the United Nations and its partners again focused most of the humanitarian assistance on Gaza. The United Nations continued to coordinate and deliver humanitarian assistance in the areas of protection, shelter, food security, water and sanitation, health and nutrition and education, reaching approximately 57 per cent, or 0.9 million, out of the total 1.6 million vulnerable Palestinians targeted for assistance in 2017. The 2017 Humanitarian Response Plan mobilized $258.8 million out of the $551.9 million sought (47 per cent).

88. In response to the deteriorating humanitarian situation in Gaza, the Gaza urgent funding appeal was made in July 2017, with an eye towards meeting the most urgent requirements under existing 2017 Humanitarian Response Plan projects for humanitarian assistance. Under the 2018–2020 Humanitarian Response Plan, $539.7 million is sought for 2018, of which about 75 per cent of requirements are for Gaza.

89. Despite the increasing pace of reconstruction in Gaza, over 4,100 families (approximately 22,000 persons) remain displaced as a result of the 2014 conflict. Of those, 3,996 families are still in need of transitional shelter cash assistance. As at 28 February 2018, there was still a funding gap for over 3,100 destroyed housing units and over 55,800 damaged units.

90. The Mine Action Service cleared 71 large aerial bomb sites and supported the safe removal of 2,193 items of explosive remnants of war. The Service also provided risk assessment mitigation to 34 reconstruction sites on 221,280 $m^2$ of land intended for desalination plants, emergency shelters, public places, roads and buildings.

**Emergency agriculture support**

91. In response to the threat of displacement, FAO provided emergency in-kind support to 1,300 herder households in Area C, benefiting 8,000 people. Animal feed was distributed for 31,000 animals. FAO also assisted more than 1,300 farming and herding households through the rehabilitation of water cisterns and drip irrigation systems.

92. In Gaza, FAO restored access to water for 53 farming households through the connection of a water well to the electricity grid and the installation of drip irrigation systems. Some 70 food-insecure urban and peri-urban households in the Gaza Strip benefited from the establishment of home gardens with plant and animal production units.

93. FAO strengthened the resilience of herders' livelihoods in the West Bank and Gaza through the preparation of almost 2,200 animal shelters for winter.

**Emergency food support**

94. Over 990,000 people in Gaza received food assistance through cash-based transfers in 2017. UNRWA distributed in-kind food parcels to 172,613 families (894,232 individuals).

95. In Gaza, WFP provided 81,500 food-insecure non-refugee Palestinians with cash-based transfers and 164,000 non-refugee Palestinians with in-kind food parcels during 2017.

96. In the West Bank, WFP and UNRWA emergency interventions provided in-kind food assistance to more than 37,000 members of Bedouin herder communities in 85 communities living in Area C.

97. In the West Bank, WFP provided food assistance to 104,584 food-insecure non-refugee Palestinians through cash-based transfers and 104,210 non-refugee Palestinians with in-kind food parcels during 2017.

**Emergency education support**

98. UNICEF reached 5,919 adolescents with life skills and stress relief activities and supported the protective accompaniment of 8,537 children and teachers to and from schools in Area C of the West Bank.

99. In Gaza, UNICEF supported 13,000 children through the provision of supplies and materials for schools, in addition to 3,296 children who benefited from remedial education.

100. The Mine Action Service provided explosive remnants of war risk education to over 41,000 at-risk persons in Gaza, including 27,315 children, and implemented a new risk education methodology aimed to empower at-risk populations and to build resilience. In 2017, there were 24 victims of explosive remnants of war, including 10 children. The Service also provided explosive ordnance disposal clearance support to all United Nations school facilities in Gaza.

**Emergency health support**

101. UNFPA provided 1,007 women with mammogram testing by mobile clinics, 360 women were provided with cash assistance (for referral treatment and transportation), 1,400 women were provided with support for medical screenings, and 800 women were provided with medicines, vitamins and supplements. Essential equipment was provided to the Ministry of Health and non-governmental organizations to improve breast cancer screening, diagnostic and confirmation capacity.

102. Through UNICEF support, as at 31 December 2017, 60 per cent of mothers and newborns of high-risk pregnancies received postnatal care within two days of birth through home visiting services by skilled midwives or nurses. Since 1 January 2017, 5,411 women and their newborns have benefited from home-based interventions on mother and child care, infant and young child feeding practices counselling, as well as on curative care.

103. UNICEF strengthened the emergency preparedness and response capacity in the West Bank and Gaza by training 154 front-line health practitioners.

104. UNICEF provided essential drugs and medical consumables to the Ministry of Health in Gaza to treat over 437,000 patients (145,716 pregnant and lactating mothers and 291,333 children under 5). Nearly 14 tons of essential drugs were delivered to the West Bank, benefiting a total of 7,600 women and children.

105. In 2017 in Gaza, UNRWA provided individual counselling to 11,088 at-risk children (49 per cent girls) and structured group counselling to 10,020 children attending UNRWA schools. UNRWA health centres provided psychosocial and protection interventions to 4,046 clients (503 men and 3,543 women), primarily in the form of individual and group counselling. A total of 92,750 Palestine refugees attended public awareness sessions convened in schools, health centres and other facilities.

106. In 2017 in the West Bank, UNRWA supported six mobile health clinics operating in 58 communities, serving a population of 117,227. A total of 2,456 Palestine refugees in the West Bank received individual and group psychosocial counselling services.

107. In February 2018, WHO delivered more than 5 tons of essential life-saving medical equipment and over 20 essential medicines and surgical supplies to Gaza hospitals to meet the needs of over 300,000 patients. WHO also provided fuel for generators for a period of six weeks to prevent the closure of 14 public hospitals and 14 non-governmental hospitals in Gaza.

108. WHO provided technical support to the Directorate of Emergency and Ambulance Services in the Ministry of Health for the development of contingency plans for 14 governmental hospitals and 13 primary health directorates in the West Bank.

109. WHO supported the Ministry of Health in improving quality of access to specialized mental health care, including the availability of essential pharmaceuticals for mental health. WHO trained 504 health practitioners working for the Ministry of Health and UNRWA and supported 11 of the 23 UNRWA primary health-care clinics in Gaza.

**Emergency housing support**

110. Under the Gaza Reconstruction Mechanism, the United Nations Office for Project Services (UNOPS) supported the import of much-needed reconstruction materials to enter the Gaza Strip. In 2017, 686,631 tons of cement were imported into Gaza. Project materials went to building or preparing for the rebuilding of homes for 23,553 Gazan families. The project used local suppliers, helping to boost the local economy.

111. UNOPS reconstructed 140 completely destroyed houses in 2017 and provided legal, financial and technical support to the families affected.

112. As at 28 February 2018, UNRWA had provided assistance to allow over 84,800 families to complete the repair of their homes in Gaza, while more than 3,000 families had completed or were in the process of rebuilding their completely destroyed homes.

113. In 2017 in the West Bank, UNRWA provided cash assistance to 58 Palestine refugee families following home demolitions by the Israeli authorities. A total of 654 Palestine refugee families received cash assistance and referrals to meet their humanitarian needs, following search-and-arrest operations by the Israeli security forces in Palestine refugee camps that led to damaged homes and trauma.

**Emergency income generation**

114. In 2017, UNRWA supported 19,695 people with short-term employment in Gaza. A total of 4,689 full-time equivalent positions were created that collectively injected $15.78 million into the local Gaza economy. In addition, over 5,000 direct and indirect jobs were created through UNRWA construction projects. UNRWA also employed 14,289 area personnel.

115. UNRWA provided critically required assistance through the provision of cash-for-work opportunities to 8,327 households (indirectly benefiting 44,630 individuals) in 19 Palestine refugee camps across the West Bank.

**Emergency water and sanitation support**

116. In Gaza, UNICEF upgraded six schools to serve as designated emergency shelters, including with the installation of toilets, showers, solar energy systems for lighting and roof tanks.

117. In response to the electricity crisis in Gaza, UNICEF repaired 141 damaged water, sanitation and hygiene facilities and 197 associated generators. UNICEF also provided water chlorination disinfection for 70 water, sanitation and hygiene facilities. UNICEF distributed hygiene kits through e-vouchers to more than 23,100 people at information sessions.

118. In 2017 in Gaza, UNRWA provided solid waste management services in all eight Palestine refugee camps, where 560,000 Palestine refugees reside. Similar services were provided by UNRWA in the West Bank in all 19 refugee camps, where 250,000 Palestine refugees reside. UNRWA also provided approximately 3 million litres of fuel to Gaza municipalities to operate water and wastewater assets; approximately 2 million litres of fuel for municipal solid waste management services; fuel and biological control agents to suppress the mosquito population at waste treatment plant sites; and fuel to run UNRWA water wells affected by power outages.

## C. United Nations system support to Palestinian institutions

119. FAO supported government institutions in undertaking legislative reforms, which resulted in the drafting of an animal health law, pesticide by-law, plant health law and food safety law and the approval of the National Strategy for Food Safety (2017–2022). FAO supported the establishment of a national plant health laboratory and initiated the formulation of the first food and nutrition security policy for Palestine. FAO and WFP also promoted a pilot of the food insecurity scale survey by the Palestinian Central Bureau of Statistics to monitor food insecurity.

120. ILO supported the launch of the Palestinian Social Security Corporation and has assisted in its delivery of a comprehensive social security system for Palestinian workers. ILO also supported the drafting of a law governing cooperatives.

121. The United Nations Conference on Trade and Development and its partners established a professional diploma training programme on supply chain management to serve the needs of Palestinian exporters, importers, customs brokers, government staff, young graduates, lawyers and other professionals. The programme was accredited by the Ministry of Education and Higher Education in 2017.

122. UNDP, UNICEF and UN-Women supported the Palestinian Bar Association, non-governmental organizations and university legal clinics in providing legal services to 14,337 people across the West Bank and Gaza.

123. UNDP, UNICEF and UN-Women supported the Palestinian National Legal Aid Committee in developing a national legal aid strategy. UNDP provided capacity support to police and justice institutions through the establishment of a unified complaint system; launched a gender strategy for the Palestinian Civil Police; trained specialized security and justice personnel on gender-based violence and juvenile justice-related issues; and opened a pilot one-stop centre in Ramallah for female victims of violence.

124. UNDP supported the establishment and institutionalization of the first national revolving fund for promoting Islamic microfinancing. The capacity of partner microfinance institutions to integrate business development services within their finance and investment products was developed.

125. UNFPA supported the completion of the third population, housing and establishment census in Palestine. UNFPA supported the establishment of the gender-based violence information management system, which is currently used by 21 organizations in the West Bank and Gaza.

126. UNICEF supported the vocational training centre of the Ministry of Social Development in Gaza to promote the reintegration of children in conflict with the law. A total of 11 boys deprived of freedom in Al-Rabee Detention Centre were judicially removed from detention and enrolled in a government vocational training centre as an alternative to detention. In addition, 176 formal justice actors (145 men and 31 women) were trained on restorative juvenile justice.

127. UNODC provided support to the justice and security sector institutions. A forensic science laboratory was opened within the Palestinian Civil Police. UNODC also supported the Ministry of Justice in integrating graduates in forensic medicine. Three forensic clinics have been opened to deal with sexual and gender-based violence cases from a legal perspective.

128. UNOPS supported the Ministry of the Interior in civilian oversight of the State security functions. The Ministry of the Interior and 17 Palestinian security entities have re-engineered key processes to reinforce civilian oversight mechanisms in legal services, strategic planning, human resources, complaints processing, and media and public relations.

129. UN-Habitat supported the Ministry of Local Government in the development of *State of Palestine: Cities Report 2016*, the first in the series, which presented data on and analysis of the urban context in Palestine, indicating urbanization trends and forces and highlighting obstacles that hinder sustainable development in Palestinian cities.

130. WFP coordinated the establishment of the inter-agency emergency operations room in Gaza, and 160 Gaza government staff were trained on food needs assessments for internally displaced persons in emergencies.

131. WFP supported the capacity of the Palestinian Civil Defence and delivered emergency response equipment for floods response, firefighting and search-and-rescue operations, and set up three emergency operation centres.

132. WHO supported the establishment of the Palestinian National Institute of Public Health, which aims to strengthen information systems and data collection and utilization, including through the establishment of e-registries for cause of death, cancer, maternal and child health, road traffic collisions and mammography screening.

## D. Private sector development

133. In Gaza, UNRWA disbursed 4,172 microfinance loans ($6.30 million) in 2017. Of those, 3,660 loans ($5,704,840) were provided to Palestine refugees and 1,788 loans ($2,051,340) were extended to women.

134. In the West Bank, UNRWA disbursed 10,343 loans ($14,554,716) in 2017, with Palestine refugees receiving 2,710 loans ($3,569,368). Women received 40 per cent of all loans, while youth aged 18–30 years received 39 per cent.

135. The UNRWA "G-Gateway" social enterprise continued to promote employment by opening the global market to information technology specialists. Each year, approximately 1,000 Palestinians graduate with computer-related degrees in Gaza. In 2017, it employed 101 beneficiaries and provided 300 employment opportunities through its freelance services.

136. UNDP is supporting the Jericho Agro-Industrial Park microenterprise and small business owners and entrepreneurs in increasing their outreach, effectiveness and efficiency of business development services. UNDP is supporting the establishment of a profitable and sustainable business model from the photovoltaic-generated electricity (solar energy) in the same location.

## E. Coordination of United Nations assistance

137. Under the auspices of the Deputy Special Coordinator for the Middle East Peace Process/Resident Coordinator/Humanitarian Coordinator, collaboration and coordination between the numerous donor and United Nations forums continued during the reporting period. The humanitarian country team met regularly to agree on humanitarian advocacy and response measures. The United Nations country team continued to coordinate its development programming, in alignment with the priorities under the National Policy Agenda.

# IV. Donor response to the crisis

### Budgetary and fiscal support

138. The Palestinian Authority contained the overall deficit to 7.8 per cent of GDP in 2017 despite a decline in total net revenue, owing to a high reduction in expenditures as a proportion of GDP. However, the fiscal situation remained precarious with declining donor support. To finance the deficit, the Palestinian Authority continued to resort to borrowing from banks within the regulatory limit. During the year, donors provided $544.5 million to the Palestinian Authority in external budgetary support and $175 million in development finance. Arab donors accounted for 26.7 per cent of external budgetary support, and international donors accounted for the remaining part. In March 2018, the Palestinian Authority approved a unified (Gaza and West Bank) budget for the occupied Palestinian territory for 2018, which envisages a total spending of $5.1 billion, with a financing gap of around $490 million.

### Donor coordination

139. The reformed local aid coordination structure went into effect during the reporting period, conferring greater ownership on aid coordination to Palestinian government institutions that currently chair each of the 15 sector working groups.

140. The coordination of humanitarian assistance and advocacy continued to be led by the Office for the Coordination of Humanitarian Affairs during the reporting period.

141. During the reporting period, the Ad Hoc Liaison Committee held two regular meetings, on 18 September 2017 in New York, chaired by the then Minister for Foreign Affairs of Norway, Børge Brende, and on 20 March 2018 in Brussels, hosted by the High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini, and chaired by the Minister for Foreign Affairs of Norway, Ine Eriksen Søreide; one extraordinary session was held on 31 January 2018 in Brussels, also hosted by Ms. Mogherini and chaired by Ms. Søreide.

## V. Unmet needs

142. In 2017, UNRWA was not able to raise the necessary funding for its programme budget and ended the year with a shortfall of approximately $126.5 million. UNRWA emergency programmes and key projects also operated with large funding gaps. Through its 2017 Palestine emergency appeal, UNRWA continued to provide basic humanitarian assistance; however, funding levels reached 38.1 per cent only. Following the January 2018 announcement by the United States that it would withhold its contribution in 2018, the projected programme budget shortfall stood at $446 million. On 22 January 2018, UNRWA launched its 2018 emergency appeals to raise $808 million for the West Bank and Gaza, as well as for the Syrian regional crisis. A ministerial conference, attended by the Secretary-General, was held in Rome on 15 March 2018, entitled "Preserving dignity and sharing responsibility: mobilizing collective action for UNRWA". The conference was convened by Egypt, Jordan and Sweden to help to alleviate the financial situation of UNRWA and saw pledges of approximately $100 million. Currently, the UNRWA funding shortfall is less than $250 million.

143. Should UNRWA, owing to a lack of funding, be forced to reduce, or suspend completely, its core and emergency services in Gaza in 2018, the impact would be significant, notably for 272,000 children who would lose access to education, on primary health-care as well as neonatal care and other life-saving services for over 1 million Palestine refugees, and on 1 million Palestine refugees living in poverty who would lose food assistance.

144. Of the $3.5 billion pledged at the Cairo International Conference on Palestine in October 2014 for the recovery and reconstruction of Gaza, only 54 per cent ($1.884 billion) has been disbursed. To complete the reconstruction, an estimated $244 million is still needed, including $200 million for the rehabilitation of 3,000 destroyed houses and 56,000 damaged houses, $13 million for the reconstruction of a destroyed hospital, $20 million for the energy infrastructure and $11 million for the water infrastructure.

145. Given the continued humanitarian needs, the 2018–2020 Humanitarian Response Plan requires $539.7 million for 2018, of which over half, or $286.5 million, is also included in the UNRWA emergency appeal for the occupied Palestinian territory. At the end of the reporting period, only 5.4 per cent, or $29 million, had been raised.

146. The *2018 Humanitarian Needs Overview* estimates that, of the 4.95 million Palestinians living in the occupied Palestinian territory, 2.5 million people will need humanitarian assistance in 2018. Of those, 1.6 million Gazans, 1.1 million children under the age of 18 and 1.4 million Palestine refugees will require humanitarian assistance in 2018. In 2018, at least 1.9 million Palestinians will experience, or are at

risk of, conflict and violence, displacement and denial of access to livelihoods, among other threats.

147. Moreover, United Nations agencies are seeking $1.26 billion over five years to support development programming in the context of the United Nations Development Assistance Framework.

## VI. Challenges

148. The absence of a political process aimed at ending the conflict continues to be the single largest impediment to Palestinian development.

149. Continued Israeli settlement expansion, demolitions, closure, access and movement restrictions and other aspects of the military occupation continue to have a severe impact on the humanitarian, social and political life of the Palestinian population and its ability to exercise its fundamental rights. Continuing acts of violence, including acts of terror, and incitement perpetuate mutual fear and suspicion. The political division between the West Bank and Gaza places severe obstacles to addressing humanitarian needs and restoring a political horizon.

150. Development and humanitarian funding to the State of Palestine continued to decline during the reporting period. Significant UNRWA funding reductions in the next reporting period further demonstrate the need for strong donor coordination.

## VII. Conclusions

151. The operational context for the work of the United Nations in the reporting period was increasingly difficult as a result of the challenges outlined in the present report. The United Nations will continue to work towards the realization of a just, lasting and comprehensive peace in the Middle East on the basis of relevant Security Council resolutions, including resolutions 242 (1967), 338 (1973), 1397 (2002), 1515 (2003), 1850 (2008), 1860 (2009) and 2334 (2016), an end to the occupation that began in 1967, and the establishment of a sovereign, democratic, viable and contiguous Palestinian State, existing side by side in peace with a secure Israel. It is only by realizing the vision of two States living side by side in peace, security and mutual recognition, with Jerusalem as the capital of Israel and Palestine, and all final status issues resolved permanently through negotiations, that the legitimate aspirations of both peoples will be achieved.